

IROQUOIS COUNTY, ILLINOIS
SINGLE AUDIT REPORT
YEAR ENDED NOVEMBER 30, 2022



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Iroquois County Board
Iroquois County, Illinois
Watseka, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Iroquois County, Illinois, as of and for the year ended November 30, 2022, and the related notes to the financial statements, which collectively comprise the Iroquois County, Illinois's basic financial statements, and have issued our report thereon dated July 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Iroquois County, Illinois'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 Iroquois County, Illinois's internal control. Accordingly, we do not express an opinion on the effectiveness of Iroquois County, Illinois's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, and 2022-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Iroquois County, Illinois's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Iroquois County, Illinois's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Iroquois County, Illinois'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.



CliftonLarsonAllen LLP

Champaign, Illinois
July 27, 2023



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

Iroquois County Board
Iroquois County, Illinois
Watseka, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Iroquois County, Illinois's 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 Iroquois County, Illinois's major federal programs for the year ended November 30, 2022. Iroquois County, Illinois's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 Iroquois County, Illinois and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Iroquois County, Illinois's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Iroquois County, Illinois'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 Iroquois County, Illinois'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 Iroquois County, Illinois'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 Iroquois County, Illinois'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 Iroquois County, Illinois'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 Iroquois County, Illinois's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-004, 2022-005, and 2022-006. Our opinion on the major federal program is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on Iroquois County, Illinois's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Iroquois County, Illinois'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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be 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. *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 2022-004, 2022-005, and 2022-006, 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 Iroquois County, Illinois's response to internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Iroquois County, Illinois's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Iroquois County, Illinois, as of and for the year ended November 30, 2022, and the related notes to the financial statements, which collectively comprise Iroquois County, Illinois's basic financial statements. We have issued our report thereon, dated September 13, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic

Iroquois County Board
Iroquois County, Illinois

financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

CliftonLarsonAllen LLP

Champaign, Illinois
September 13, 2023

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED NOVEMBER 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Passed Through To Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF THE TREASURY				
Direct - COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ -	\$ 3,056,437
Total U.S. Department of the Treasury			-	3,056,437
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Passed Through Illinois Department of Public Health:				
State Indoor Radon Grant Program	66.032	22RDNIROQ	-	4,299
Safe Drinking Water	66.605	25080039J	-	1,875
Total U.S. Environmental Protection Agency			-	6,174
U.S. ELECTION ASSISTANCE COMMISSION				
Passed Through Illinois State Board of Elections:				
HAVA Election Security Grant	90.404	Not available	-	12,545
Polling Place Accessibility Grant	90.404	Not available	-	8,054
Total U.S. Election Assistance Commission			-	20,599
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Illinois Department of Public Health				
Public Health Preparedness:				
Public Health Emergency Preparedness	93.069	27180123J	\$ -	\$ 24,645
Public Health Emergency Preparedness	93.069	37180123K	-	18,488
Total Public Health Preparedness			-	43,133
Immunization Cooperative Agreements:				
COVID 19 - Influenza Vaccine Promotion	93.268	25080039J	-	25,000
COVID 19 - Mass Vaccination	93.268	15080638I	-	119,862
Total Immunization Cooperative Agreements			-	144,862
Epidemiology & Lab Capacity Cooperative Agreements:				
COVID 19 - Contact Tracing	93.323	05180138H	-	54,763
COVID 19 - Community Response	93.323	28180538J	-	109,256
Total Epidemiology & Lab Capacity Cooperative Agreements			-	164,019
Direct - Drug-Free Communities Support Program	93.276	N/A	-	111,772
Total U.S. Department of Health and Human Services			-	463,786
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through Illinois Emergency Management Agency:				
Hazard Mitigation Grant Program	97.039	FEMA-4489-DR-IL	-	30,680
Total U.S. Department of Homeland Security			-	30,680
Total Expenditures of Federal Awards			\$ -	\$ 3,577,676

See Notes to Schedule of Expenditures of Federal Awards.

IROQUOIS COUNTY, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
NOVEMBER 30, 2022

NOTE 1 BASIS OF PRESENTATION

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting for governmental funds, which are described in Note 1 to the basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

The County has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 FEDERAL LOANS

Iroquois County has no federal loans or loan guarantees outstanding at year-end.

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

1. Internal control over major federal programs:
- Material weakness identified? yes X no
 - Significant deficiency identified? X yes none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. 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)

21.027

Name of Federal Program or Cluster

Coronavirus State and Local Fiscal Recovery Funds

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

\$ 750,000

Auditee qualified as low-risk auditee?

 yes X no

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2022**

Section II – Financial Statement Findings

2022 – 001 – Annual Financial Reporting Under General Accepted Accounting Principles (GAAP) and Adjustments

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

Condition: While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced. The County engages CliftonLarsonAllen LLP (CLA) to assist in preparing its financial statements and accompanying disclosures and certain year-end modified accrual (receivables) and full accrual entries. As independent auditors, CLA cannot be considered part of the County's internal control system. Management does review and approve the financial statements, including related footnotes and supplementary information, and approves all adjustments.

Criteria or specific requirement: The Iroquois County Board and management are responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements, including the related disclosures and necessary adjustments in conformity with accounting principles generally accepted in the United States of America (GAAP).

Effect: The potential exists that a material misstatement of the annual financial statement could occur and not be prevented or detected by the County's internal controls.

Cause: The County lacks sufficient resources to prepare the financial statements, related footnote disclosures, and necessary accrual adjustments.

Repeat finding: The finding is a repeat of a finding in the prior year. The prior year finding number was 2021-001.

Recommendation: Management should continue to evaluate their internal staff capacity to determine if an internal control policy over the annual financial reporting is beneficial.

Views of responsible officials and corrective action plans: Regular communication updates or reminders of policies will be sent to the department heads and elected officials through email or meetings. The financial statements will be distributed monthly to all department heads, elected officials and County board members. The County is in the process of reviewing the need of hiring additional employees to assist in reviewing and maintaining internal controls.

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2022**

Section II – Financial Statement Findings (Continued)

2022 – 002 – Material Correcting Entries

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: During the course of the audit, we noted several manual adjusting journal entries were posted incorrectly and correcting adjustments were required in the audit process to comply with accounting principles generally accepted in the United States of America (GAAP), including the following:

- Certain highway payables, accrued wages, and negative cash entries from a prior fiscal year were improperly reversed and recorded in the current fiscal year.
- Construction and engineering related services provided through November 30, including retainage payable, were not properly recorded as liabilities at year end.
- Various invoices related to services provided to the County prior to November 30 were not accrued as accounts payable at year end.
- Certain interfund transfers were in payables at year end, and deposits in transits, and resulted in a bank reconciliation discrepancy.
- Highway equipment purchase that was received in the subsequent fiscal year was improperly recorded as accounts payable in the current fiscal year.

Criteria or specific requirement: Internal controls over financial reporting require close review of year end balances and activity to ensure they are in accordance with generally accepted accounting principles (GAAP).

Effect: A lack of controls in place over the financial reporting function increases the risk of errors or irregularities occurring in the financial statements and not being detected and corrected on a timely basis.

Cause: Lack of adequate review process.

Repeat finding: The finding is a repeat of a finding in the prior year. The prior year finding number was 2021-002.

Recommendation: To establish proper internal control over its financial statements, the County should establish procedures to review manual entries to prevent and detect potential errors. In addition, communication with departments should be enhanced, along with review of receipts and payments subsequent to year end. County management should also closely review its financial reports to ensure the proper recording of all activity in accordance with GAAP.

Views of responsible officials and correction action plans: The Finance Office will work closely with the Highway Department before completing any entries to ensure payables, wages, construction and engineering projects and equipment purchases are recorded correctly. Interfund transfers will be reviewed quarterly to ensure proper recording throughout the fiscal year. The Finance Manager will train the Finance Deputy Clerk to assist in looking for invoices for services prior to November 30th to make sure they are recorded correctly.

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2022**

Section II – Financial Statement Findings (Continued)

2022-003 – Preparation of the Schedule of Expenditures of Federal Awards (SEFA)

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

Condition: There were errors on the SEFA related to several federal programs administered by the Health Department and their related expenditures.

Criteria or specific requirement: The Iroquois County Board and management are responsible for establishing and maintaining internal controls and for the fair presentation of the SEFA in accordance with Uniform Grant Guidance.

Cause: The Health Department did not use the general ledger account coding for program expenditure accounting.

Effect: Failure to establish an effective internal control can enable material misstatements to occur in the SEFA.

Repeat finding: N/A

Recommendation: We recommend the County strengthen its process for reviewing the SEFA to ensure compliance with Uniform Grant Guidance, including close communication with the Health Department. Reports filed by the Health Department, along with supporting general ledger documentation, should be provided to the Business Office for use in preparing the SEFA.

Views of responsible officials and corrective action plans: The public health department is in the process of training new employees that are responsible for reviewing and complying with the SEFA requirements. The Finance Manager has already begun conversations with the new employee on the importance of documentation and review. The Finance Manager also has discussed the matter with the new public health administrator. Further discussion on communication in writing, any changes in the public health department coding will be sent to the Finance Office.

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs

2022 – 004 – Procurement and Suspension and Debarment

Federal Agency: U.S. Department of Treasury

Federal Program Name: Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Federal Award Identification Number and Year: 1505-0271; 2021

Award Period: March 3, 2021 through December 31, 2024

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: Uniform Grant Guidance (2 CFR 200.318, 2 CFR 200.319, 2 CFR 200.324 and 2 CFR 180.220) requires a non-federal entity to maintain records sufficient to detail the history of procurement, the providing of full and open competition, the performing of cost or price analysis, and prohibits the non-federal entity to contract or make subawards to parties that are suspended or debarred. These records will include the rationale for the method of procurement, selection of contract type, contractor selection or rejection, the basis for the contract price, how full and open competition was provided, the cost or price analysis performed, and verification the vendor is not suspended or debarred through the SAMs exclusion list, collecting of certification from the entity, or by adding a clause or condition to the covered transaction with the entity.

Condition: Procurement methods for certain federal award purchases were not adequately documented and the County did not verify the vendor was not suspended or debarred prior to entering into the transactions.

Questioned costs: None

Context: 3 of 5 tested for procurement documentation and 6 of 6 tested for suspension and debarment documentation.

Cause: Lack of documentation retained over procurement rationale or cost analysis and lack of knowledge on suspension and debarment policy.

Effect: Purchases are not properly documented to meet the Federal procurement requirements. CLA was able to determine the vendors were not suspended or debarred.

Repeat Finding: This finding is a repeat of a finding in the prior year on a different program. Prior year finding number was 2021-003.

Recommendation: We recommend the County carefully review federal procurement requirements for proper documentation needed. The County should consider use of a Federal procurement checklist.

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2022**

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

Views of responsible officials: There is no disagreement with the audit finding.

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2022**

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

2022 – 005 - Reporting

Federal Agency: U.S. Department of Treasury

Federal Program Name: Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Federal Award Identification Number and Year: 1505-0271; 2021

Award Period: March 3, 2021 through December 31, 2024

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: Uniform Grant Guidance (2 CFR 200.303) requires non-federal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include ensuring the reported projects and expenditures accurately reflect what is reported in the expenditure detail.

Condition: The expenditure report filed during the year did not accurately report project details, including amounts expended, subaward types as contractors and grants, loans, transfers, or direct payments to individuals, subrecipient entity types as contractors, beneficiaries, or subrecipients, and amounts of lost revenue elected to be used for the period required. In addition, there is no formal documentation of the review being completed by the ARPA committee in accordance with the County's internal control procedures.

Questioned costs: None

Context: The County incorrectly reported current projects and expenditures in 1 of 1 reports tested.

Cause: Reported projects and expenditures were based on projects and projects cost that had been approved by resolution by the ARPA committee and County Board, and not what had actually been incurred through the reporting date. Subaward and subrecipient types were not clearly distinguished and lost revenue amounts taken were not indicated. These details were inaccurately reported due to unclear instructions. There was no documentation of review and approval by a department head or the ARPA committee.

Effect: While correct expenditures were reported on the schedule of expenditures of federal award for the year ended November 30, 2022, the interim period reporting for the period ended March 31, 2022 included obligations in the amount reported as expended, This could result in costs being questioned interperiod.

Repeat Finding: No

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2022**

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

Recommendation: We recommend the County strengthen its review procedures over reports and ensure the review is documented.

Views of responsible officials: There is no disagreement with the audit finding.

**IROQUOIS COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2022**

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

2022 – 006- Allowable Cost

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

Federal Program Name: Epidemiology and Laboratory Capacity for Infectious Diseases (Contract Tracing and Response grants); Support of Immunization Initiative-Focusing on Childhood Vaccination Programs (Mass Vaccination)

Assistance Listing Number: 93.323 and 93.268

Federal Award Identification Number and Year: 6NU50CK000559-01-08 Year 2020 and 2021; NH23IP922637 Year 2021

Pass-Through Agency: Illinois Department of Public Health

Pass-Through Number: 05180138H; 28180539J; 15080638I-1

Award Period: June 1, 2020 through March 31, 2022; July 1, 2022 through December 31, 2022; December 1, 2020 through December 31, 2022

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: Uniform Grant Guidance (2 CFR 200.430) requires a non-federal entity to maintain sufficient time and effort records for personal services to accurately reflect work performed.

Condition: Overtime was being charged to the program on days that vacation and sick time was used. A lump sum overtime payment was made for built up unrecorded/unpaid hours with no supporting documentation regarding what days the hours were worked.

Questioned costs: \$777.72 Contract Tracing; \$194.43 Mass Vaccination; \$12,573.77 Response

Context: All overtime charged to the grants by the Health Department Administrator

Cause: Time cards did not provide sufficient detail to determine which days in the period were being charged for overtime, and appears overtime was charged during paid time off.

Effect: Lack of proper time and effort reporting can lead to unallowable costs.

Repeat Finding: This finding is a repeat of a finding in the prior year. The prior year finding number was 2021-004.

Recommendation: We recommend the County review time and effort records to ensure overtime is not charged to Federal grants on days in which vacation and sick time is used. More detailed reporting of the days in which the vacation and sick days are used and the overtime days would assist with this process.

Views of responsible officials: There is no disagreement with the audit finding.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.