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Anoka County Anoka, Minnesota

Management and Compliance Report

Year Ended December 31, 2025

Audit Practice Division



STATE OF MINNESOTA
OFFICE OF THE STATE AUDITOR
State Auditor Julie Blaha

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**Anoka County
Anoka, Minnesota**

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**Independent Auditor's 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***

Board of County Commissioners and
Internal Audit Committee Members
Anoka County
Anoka, Minnesota

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, each major fund, and the aggregate remaining fund information of Anoka County, Minnesota, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 10, 2026.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control over financial reporting 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 over financial reporting 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 over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as items 2025-001 and 2025-002, that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Anoka County'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*.

Minnesota Legal Compliance

In connection with our audit, we noted that Anoka County failed to comply with the provisions of the miscellaneous provisions section of the *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters, as described in the Schedule of Findings and Questioned Costs as item 2025-004. Also, in connection with our audit, nothing came to our attention that caused us to believe that Anoka County failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, and claims and disbursements sections of the *Minnesota Legal Compliance Audit Guide for Counties*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

Anoka County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Anoka County's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan. The County's response was not subjected to the 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 over financial reporting and compliance, and the provisions of the *Minnesota Legal Compliance Audit Guide for Counties* and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

/s/Julie Blaha

Julie Blaha
State Auditor

June 10, 2026

/s/Lisa Young

Lisa Young, CPA
Deputy State Auditor



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Board of County Commissioners and
Internal Audit Committee Members
Anoka County
Anoka, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Anoka County's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Anoka County's major federal programs for the year ended December 31, 2025. Anoka County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Anoka County 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 December 31, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Anoka County 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 Anoka County'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 Anoka County's federal programs.

Auditor's 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 Anoka County'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 auditing standards generally accepted in the United States of America, *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 Anoka County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances; and
- obtain an understanding of the County'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 County'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 an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance, and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2025-003. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Anoka County's response to the noncompliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Anoka County'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 Auditor's 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 a deficiency in internal control over compliance that we consider to be a significant deficiency.

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 deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2025-003 to be a significant deficiency.

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 Anoka County's response to the internal control over compliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Anoka County'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.

/s/Julie Blaha

Julie Blaha
State Auditor

June 10, 2026

/s/Lisa Young

Lisa Young, CPA
Deputy State Auditor

Anoka County Anoka, Minnesota

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles: **Unmodified**

Internal control over financial reporting:

- Material weaknesses identified? **No**
- Significant deficiencies identified? **Yes**

Noncompliance material to the financial statements noted? **No**

Federal Awards

Internal control over the major federal programs:

- Material weaknesses identified? **No**
- Significant deficiencies identified? **Yes**

Type of auditor’s report issued on compliance for the major federal programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **Yes**

Identification of the major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
93.658	Foster Care Title IV-E
93.778	Medicaid Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$2,083,669

Anoka County qualified as a low-risk auditee? **No**

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Section II – Financial Statement Findings

2025-001 Access to Computer Systems – Network

Prior Year Finding Number: N/A

Year of Finding Origination: 2025

Type of Finding: Internal Control Over Financial Reporting

Severity of Deficiency: Significant Deficiency

Criteria: Employee access to computer systems and the network should be removed in a timely manner when employees leave County employment. It is the County's policy to remove or disable access at the time of termination, contract completion, or a period of inactivity.

Condition: The County's Information Technology (IT) Department did not remove or disable access for six former employees in a timely manner.

Context: During the year, 886 employees separated from employment with the county; a sample of 25 employees were tested for timely removal of network access.

Effect: When terminated employees have access to the County's computer systems, networks, and data, it increases the risk that malicious damage to that information, fraud, and misstatements may occur.

Cause: The County indicated that one was caused by IT not completing the process timely and five were due to the employee's department not submitting a service request to deactivate the account in a timely manner.

Recommendation: We recommend the County implement additional procedures to ensure the removal of terminated employees' network access in a timely manner.

View of Responsible Official: Concur

2025-002 Purchasing Cards

Prior Year Finding Number: N/A

Year of Finding Origination: 2025

Type of Finding: Internal Control Over Financial Reporting

Severity of Deficiency: Significant Deficiency

Criteria: Counties have authority to make purchases using credit cards, and the Anoka County Board has adopted Purchasing Card Policies and Procedures, including management and internal control procedures. The County's purchasing card process requires a Procurement Card Information Record form be completed by each employee who is issued a purchasing card. The form is used to document changes to the purchasing card status as well as to support the purchasing card limits assigned. This form is signed by each employee, at the time of issuance, as acknowledgement and verification of the purchasing card approval.

Condition: For seven of the 25 purchasing card transactions tested, the County was unable to provide the signed Procurement Card Information Record form.

Context: The purchasing card program is managed by the Purchasing Card Administrator within the Finance and Central Services Division. The County has updated and established new purchasing card policies in May 2026 that

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include obtaining updated approval forms. During 2024, the County made \$4,235,026 in purchases using purchasing cards.

Effect: Failure to follow the purchasing card policies and procedures increases the likelihood of misuse of County funds.

Cause: The County informed us that the agreements were completed and signed at the time of issuance; however, due to the County's record retention policy, the electronic version of the files were deleted, and paper copies were not retained.

Recommendation: We recommend the County follow the Board-approved purchasing card policy and procedures and ensure all documentation supporting the assignment and approval of purchasing cards to employees be retained.

View of Responsible Official: Concur

Section III – Federal Award Findings and Questioned Costs

2025-003 Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Reporting

Prior Year Finding Number: N/A

Year of Finding Origination: 2025

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

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

Programs: 93.658 Foster Care Title IV-E

93.778 Grants to States for Medicaid

Award Number and Year: 2501MNFOST; 2025
2505MN5ADM; 2025

Pass-Through Agency: Minnesota Department of Human Services and Minnesota Department of Children, Youth, and Families

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Administrative program costs are submitted to the Minnesota Department of Human Services (DHS) on a quarterly basis through the DHS Income Maintenance report (DHS-2550) for the Grants to States for Medicaid program and through the DHS Social Service Fund Report (DHS-2556) for the Foster Care Title IV-E program and Grants to States for Medicaid program. DHS provides reporting instructions, including information regarding eligible and ineligible costs.

Condition: The following exceptions was noted in expenditures tested for activities allowed or unallowed and allowable costs/cost principles:

- Capital outlay expenditures were incorrectly coded as services and charges.

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In addition, the following exceptions were noted in the second and third quarter DHS reports tested:

- An entry to remove ineligible expenditures was incorrectly recorded twice on the third quarter DHS-2550 report.
- Amortization expense was not reported on the DHS-2550 and DHS-2556 reports.
- MAXIS certified mail costs were incorrectly reported on the DHS-2550 reports.
- Capital outlay expenditures were incorrectly reported on the DHS-2550 reports.

Questioned Costs: \$149,357 related to Grants to States for Medicaid; known questioned costs were determined by the calculation of quarterly amortization expense on subscription-based information technology arrangements not recorded of \$148,944 and \$413 of journal entries identified during review of the general ledger.

Context: DHS relies on accurate identification and reporting of program costs to ensure grant funds paid to the County are for allowable federal program activities and costs and provide detailed information necessary for maintaining proper oversight over federal programs.

Total Grants to States for Medicaid expenditures reported on the Schedule of Expenditures of Federal Awards (SEFA) are \$16,891,964, consisting of 33,059 transactions. The sample of 40 transactions total \$306,970. Total Foster Care Title IV-E expenditures reported on the SEFA are \$1,964,642, consisting of 29,676 transactions. The sample of 41 Foster Care Title IV-E transactions total \$115,349. The reporting population consisted of four quarterly DHS-2550 and DHS-2556. The sample was two quarterly DHS-2550 and DHS-2556 reports. The sample sizes were based on the guidance from Chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: Errors in the identification and reporting of costs on the quarterly reports can impair DHS' ability to provide required oversight over federal programs and result in the County receiving either more or less federal funds than justified based on the actual underlying activity.

Cause: The County Human Services Division's controls over the identification of allowable activities and costs and preparation and review of the quarterly reports were not sufficient to identify these errors. Additionally, staff were unaware of the impact of subscription-based information technology arrangements and related amortization.

Recommendation: We recommend the Human Services Division implement controls to ensure activities allowed and allowable costs are appropriately identified and accurately reported to DHS in accordance with federal program guidance and DHS instructions. We also recommend the Human Services Division correct and resubmit reports submitted with unallowable activities or costs, costs allocated incorrectly, or activity reported incorrectly.

View of Responsible Official: Concur

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Section IV – Other Findings and Recommendations

2025-004 Publication of County Board Minutes

Prior Year Finding Number: N/A

Year of Finding Origination: 2025

Type of Finding: Minnesota Legal Compliance

Criteria: Minnesota Statutes, section 375.12, requires the County to publish all Board meeting minutes, or a summary of the minutes, in a qualified newspaper of general circulation in the County. These publications should be done within 30 days of the meeting.

Condition: In a sample of 23 published summaries reviewed, four were not published within the 30-day requirement and two were not published.

Context: County Board meetings are typically held every two weeks. Meeting minutes are approved by the County Board at the subsequent meeting.

Effect: The County is not in compliance with Minn. Stat. § 375.12.

Cause: The County indicated that not all Board minutes were published within the 30 days due to timing constraints related to complying with the Americans with Disabilities Act.

Recommendation: We recommend the County publish its summaries of the County Board minutes in compliance with Minn. Stat. § 375.12.

View of Responsible Official: Concur



Representation of Anoka County
Anoka, Minnesota

Corrective Action Plan

For the Year Ended December 31, 2025

Finding Number: 2025-001

Finding Title: Access to Computer Systems – Network

Name of Contact Person Responsible for Corrective Action:

Vijay Naravane, Chief Information Officer

Corrective Action Planned:

The employee's account is disabled, on the termination date indicated, automatically by Workday within 24-hours. The account will continue to exist in Active Directory, but the employee cannot log into the county network or access any systems or resources on the county network. While the account is in this disabled state, IT performs all de-activation tasks. Once all these tasks are completed, the account is deleted. Deleted accounts no longer exist in Active Directory.

The department must submit a ticket indicating the employee will no longer be employed by the county prior to the termination date. We are communicating this information to the departments, so they know what is required when an employee is terminated. IT has implemented a manual process to review the bi-weekly termination report to ensure tickets are submitted by the department.

An account may remain in a disabled state if there is a litigation hold, or other reason indicated by the attorney's office to not delete the account until a specific date. If there is not a legal reason to retain an account in a disabled state, our process is to delete the account the 29th day.

We are following the process as accounts are disabled automatically by Workday. Notifying IT of an employee's termination from the county is the department's responsibility, and we are addressing the gaps in this process.

Anticipated Completion Date:

July 2026

Finding Number: 2025-002

Finding Title: Purchasing Cards

Name of Contact Person Responsible for Corrective Action:

Sarah Blessing, Senior Treasury Specialist

Corrective Action Planned:

As of May 2026, the procurement card administrator sends out a new Procurement Card Information Record Form to be reviewed by departments upon all procurement card expirations. This form is reviewed and retained before the expired card is replaced. This will ensure that all monetary and contact information is correct. This will also verify retention periods do not lapse and an Information Record is always retained.

Anticipated Completion Date:

December 2026

Finding Number: 2025-003

Finding Title: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Reporting Program: 93.658 Foster Care Title IV-E, 93.778 Grants to States for Medicaid

Name of Contact Person Responsible for Corrective Action:

Ryan DuMond, Supervisor, Accounting

Corrective Action Planned:

Staff will conduct thorough reviews of all Quarterly Fiscal Memos and attachments issued by DHS to ensure that reporting requirements are fully understood and applied consistently.

The County will also develop and document a comprehensive procedure for preparing the DHS-2550 and DHS-2556 reports, including detailed instructions for entering adjustments, processing reversing entries, reporting amortization, properly coding capital purchases, and handling MAXIS-related costs.

A mandatory review process will be implemented before submission of each report to verify accuracy and compliance with DHS guidance. As part of this review, staff will closely examine expense classifications to ensure that capital outlay expenditures are accurately coded and reported, and that all required amortization expenses are correctly included. These actions will help prevent misclassification and report errors in future submissions.

Anticipated Completion Date:

July 2026

Finding Number: 2025-004

Finding Title: Publication of County Board Minutes

Name of Contact Person Responsible for Corrective Action:

Jim Dickinson, County Administrator

Corrective Action Planned:

Adjust procedure to ensure that all minutes are approved and subsequently published in a qualified publication and format within the 30-day requirement in accordance with Minn. Stat. § 375.12.

Anticipated Completion Date:

Correction is planned to be in place by July of 2026.



Representation of Anoka County
Anoka, Minnesota

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2025

Finding Number: 2024-001

Year of Finding Origination: 2024

Finding Title: Material Audit Adjustments

Summary of Condition: Material audit adjustments were identified that resulted in significant changes to the County's financial statements.

Summary of Corrective Action Previously Reported:

- Implement a formal checklist and review protocol for year-end closing procedures that will target material receivables and revenue classifications.
 - **General Procedures:** Review year-end activity (assign roles – who prepares/who reviews), communicate with departments about year-end revenue/receivable activities, reconcile balance sheet accounts (e.g. DFOG, intergovernmental, unavailable revenue), and review year-end adjustment journal entries to ensure proper documentation, classification, and timing.
 - **Road & Bridge Fund** – Compare reimbursement requests with receipts recorded (MnDoT), ensure the revenue is classified properly, confirm all uncollected state and federal grants are accrued as 'due from other governments', and review unavailable revenue (deferred inflows of resources).
 - **Capital Projects Fund** – Identify revenues from other governments and review classification of revenue between what is tax revenue vs. intergovernmental revenue.
- Provide additional training for accounting staff on proper revenue recognition and documentation requirements.
- Designate a secondary reviewer (e.g. Senior Manager – Accounting or Deputy Director) to independently verify high-risk or high-dollar entries before submission to the auditor to reduce the risk of undetected misstatements.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2024-002

Year of Finding Origination: 2024

Finding Title: Suspension and Debarment

Program: 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

Summary of Condition: For two of the four covered transactions tested, the County did not maintain documentation of verification that the vendors were not suspended or debarred prior to entering into the covered transactions.

Summary of Corrective Action Previously Reported: The Procurement Unit will continue to educate county users on required policy & procedures. This would include a refresh to our new stand-alone procurement policy, a new procedure manual explaining in detail how to procure, and supplemental documents including forms and checklists to aid in compliance.

We are upgrading SharePoint (internal website) to aid in sharing procurement information. We will continue to educate on process documentation including the federal guidance listed in Title 2 U.S. *Code of Federal Regulations*.

The County has purchased a finance/procurement system set to go live in 1/2026. The system will manage the purchase order process and we will continue to find a procurement solution for all other procurement activities. These plans will assist by moving the County from a manual environment to a more structured and standardized environment for procurement activities.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2024-003

Year of Finding Origination: 2024

Finding Title: Suspension and Debarment

Program: 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Summary of Condition: For two of the four covered transactions tested, the County did not maintain documentation of verification that the vendors were not suspended or debarred prior to entering into the covered transactions.

Summary of Corrective Action Previously Reported: The Procurement Unit will continue to educate county users on required policy & procedures. This would include a refresh to our new stand-alone procurement policy, a new procedure manual explaining in detail how to procure, and supplemental documents including forms and checklists to aid in compliance.

We are upgrading SharePoint (internal website) to aid in sharing procurement information. We will continue to educate on process documentation including the federal guidance listed in Title 2 U.S. *Code of Federal Regulations*.

The County has purchased a finance/procurement system set to go live in 1/2026. The system will manage the purchase order process, and we will continue to find a procurement solution for all other procurement activities. These plans will assist by moving the County from a manual environment to a more structured and standardized environment for procurement activities.

Status: Fully Corrected. Corrective action was taken.

Finding Number: 2024-004

Year of Finding Origination: 2024

Finding Title: Eligibility

Program: 93.558 Temporary Assistance for Needy Families

Summary of Condition: The Minnesota Department of Human Services (DHS) maintains the computer system, MAXIS, which is used by Anoka County to support the eligibility determination process. In the case files reviewed for eligibility, not all documentation was available, updated, or input correctly to support participant eligibility. The following exceptions were noted in the sample of 40 MAXIS case files tested:

- Two case files had assets in MAXIS that were not updated to agree with supporting documentation in the case file.
- One case file did not have the support for the income listed in MAXIS.
- One case file did not have the support for the assets listed in MAXIS.
- One case file transferred from another agency did not include the supporting documentation to verify compliance.

Summary of Corrective Action Previously Reported:

- Training TANF employees:
 - Distribution of Lead ES Newsletter – monthly training communication (includes updates to forms, bulletins from the state, policy & procedural changes, and technical tips)
 - Supervisor’s will review mandatory verifications at unit meetings by the end of Q3 2025.
 - Child Support Income Budgeting Guide
 - Includes how to budget, case noting, etc.
 - Move In Checklist
 - We have made clarifying updates to this document regarding requesting a case file from a previous county if not already received.
 - April 2025 PSU News
 - QC team shared information and tips from what they noticed while going through the audit
- MFIP case reviews conducted by supervisors in Q2 and Q3. 15 per ES per year.
- Per Hennepin County we were only transferring the last year of case file documents when clients moved from Anoka County to Hennepin County. Beginning in Q2 of 2025 Anoka County began transferring the entire case file to ensure the complete retention of case files.

Status: Not Corrected. Error due to worker failing to update information from documentation and interview completed with client. Corrective action plan is to provide reminders in unit meetings regarding updating cases in system of record to match information on application and on paper verification. Our PC Newsletter that is maintained by Lead Eligibility Specialists, will be issued in June with details about updating MAXIS with information obtained through verifications or interviews.