

STATE OF MINNESOTA

Office of the State Auditor



Julie Blaha
State Auditor

MANAGEMENT AND COMPLIANCE REPORT

RAMSEY COUNTY
SAINT PAUL, MINNESOTA

YEAR ENDED DECEMBER 31, 2018

Description of the Office of the State Auditor

The mission of the Office of the State Auditor is to oversee local government finances for Minnesota taxpayers by helping to ensure financial integrity and accountability in local governmental financial activities.

Through financial, compliance, and special audits, the State Auditor oversees and ensures that local government funds are used for the purposes intended by law and that local governments hold themselves to the highest standards of financial accountability.

The State Auditor performs approximately 100 financial and compliance audits per year and has oversight responsibilities for over 3,300 local units of government throughout the state. The office currently maintains five divisions:

Audit Practice – conducts financial and legal compliance audits of local governments;

Government Information – collects and analyzes financial information for cities, towns, counties, and special districts;

Legal/Special Investigations – provides legal analysis and counsel to the Office and responds to outside inquiries about Minnesota local government law; as well as investigates allegations of misfeasance, malfeasance, and nonfeasance in local government;

Pension – monitors investment, financial, and actuarial reporting for approximately 600 public pension funds; and

Tax Increment Financing – promotes compliance and accountability in local governments' use of tax increment financing through financial and compliance audits.

The State Auditor serves on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, and the Rural Finance Authority Board.

Office of the State Auditor
525 Park Street, Suite 500
Saint Paul, Minnesota 55103
(651) 296-2551
state.auditor@osa.state.mn.us
www.auditor.state.mn.us

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**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

Year Ended December 31, 2018



Management and Compliance Report

**Audit Practice Division
Office of the State Auditor
State of Minnesota**

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**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

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JULIE BLAHA
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

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*

Independent Auditor's Report

Board of County Commissioners
Ramsey County
Saint Paul, Minnesota

We have audited, in accordance with 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, each major fund, and the aggregate remaining fund information of Ramsey County, Minnesota, as of and for the year ended December 31, 2018, 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 13, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ramsey County's internal control over financial reporting to determine the 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.

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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we did identify a deficiency in internal control over financial reporting that we consider to be a material weakness.

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 combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ramsey 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 determination of financial statement amounts. 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

The *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven categories of compliance to be tested in connection with the audit of the County's financial statements: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories, except that we did not test for compliance with the provisions for tax increment financing because the cities administer the tax increment financing districts in Ramsey County.

In connection with our audit, nothing came to our attention that caused us to believe that Ramsey County failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Counties*. 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.

Ramsey County's Response to Findings

Ramsey County's response to the internal control finding identified in our audit is described in the 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 it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting, 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

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 13, 2019

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JULIE BLAHA
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

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

Independent Auditor's Report

Board of County Commissioners
Ramsey County
Saint Paul, Minnesota

Report on Compliance for Each Major Federal Program

We have audited Ramsey County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2018. Ramsey County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Ramsey County's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred.

An audit includes examining, on a test basis, evidence about Ramsey County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on Medical Assistance Program (CFDA No. 93.778)

As described in the accompanying Schedule of Findings and Questioned Costs, Ramsey County did not comply with requirements regarding CFDA No. 93.778, Medical Assistance Program, as described in finding number 2016-002 for Eligibility. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Qualified Opinion on Medical Assistance Program (CFDA No. 93.778)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Ramsey County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Medical Assistance Program for the year ended December 31, 2018.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Ramsey County 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 Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2018.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2018-002 and 2018-003. Our opinion on each major federal program is not modified with respect to these matters.

Ramsey County's responses to the noncompliance findings identified in our audit are described in the accompanying Corrective Action Plan. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of Ramsey County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each

major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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 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 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 the attention of those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2016-002, that we consider to be a material weakness, and deficiencies 2018-002 and 2018-003 that we consider to be significant deficiencies.

Ramsey County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 Ramsey County, Minnesota, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated June 13, 2019, 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 Ramsey County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards (SEFA), as required by the Uniform Guidance, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The SEFA 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. Such 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 SEFA is fairly stated in all material respects in relation to the basic financial statements as a whole.

/s/Julie Blaha

JULIE BLAHA
STATE AUDITOR

June 13, 2019

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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? **Yes**
- Significant deficiencies identified? **None reported**

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

Federal Awards

Internal control over major programs:

- Material weaknesses identified? **Yes**
- Significant deficiencies identified? **Yes**

Type of auditor's report issued on compliance for major federal programs: **Unmodified for all major programs, except for Medicaid Cluster, which is qualified.**

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

The major federal programs are:

Special Supplemental Nutrition Program for Women, Infants, and Children	CFDA No. 10.557
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program Cluster	CFDA No. 10.561
Highway Planning and Construction Cluster	CFDA No. 20.205
Temporary Assistance for Needy Families Cluster	CFDA No. 93.558
Medicaid Cluster	CFDA No. 93.778

The threshold for distinguishing between Types A and B programs was \$2,725,512.

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

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

**II. FINDINGS RELATED TO FINANCIAL STATEMENTS AUDITED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

ITEM ARISING THIS YEAR

Finding Number 2018-001

Material Audit Adjustment

Criteria: 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 of the financial statements on a timely basis. Auditing standards define a material weakness as a deficiency, or 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.

Condition: A material audit adjustment was identified that resulted in a significant change to the County's financial statements. The adjustment was reviewed and approved by appropriate County staff and is reflected in the financial statements.

Context: The inability to detect material misstatements in the financial statements increases the likelihood that the financial statements would not be fairly presented. The adjustments were found in the audit; however, independent external auditors cannot be considered part of the County's internal control.

Effect: In the Capital Projects Fund, due from other governments and deferred inflows of resources – unavailable revenue were decreased by \$6,238,897.

Cause: A receivable was recorded based on the encumbered balance as of December 31, 2018, for the Local Road Improvement Program (LRIP) state grant. Since this is an expenditure driven grant, a receivable should only be recorded for the amount of expenditures incurred that are not yet reimbursed as of year-end, up to the encumbered balance. The entire encumbrance balance had not yet been incurred, and the portion that had been incurred had already been recorded as a receivable.

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

Recommendation: We recommend County staff implement procedures over financial reporting that include review of balances, disclosures, and supporting documentation by a qualified individual to ensure the information is complete and accurate so the County's financial statements are fairly presented in accordance with GAAP.

View of Responsible Official: Concur

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD PROGRAMS

PREVIOUSLY REPORTED ITEM NOT RESOLVED

Finding Number 2016-002

Eligibility

Program: U.S. Department of Health and Human Services' Medical Assistance Program (CFDA No. 93.778), Award Nos. 1805MN5ADM and 1805MN5MAP, 2018

Pass-Through Agency: Minnesota Department of Human Services

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.

Condition: The Minnesota Department of Human Services (DHS) maintains the computer system, MAXIS, which is used by the County to support the eligibility determination process. The following exceptions were detected in the sample of 40 cases tested:

- Thirteen case files had asset information in the MAXIS system that did not match the supporting documentation provided by the client.
- One case file had participant's asset values that were over the asset limit.
- One case file did not have an application on file.

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018**

- Five case files' citizenship verification in the MAXIS system indicated birth certificates were in the case files, but birth certificates were not in the case files.
- Two case files had insurance information in the MAXIS system that did not match the information indicated on the application.
- Two case files had Retirement, Survivors, and Disability Insurance (RSDI) income noted in the MAXIS system as being verified by an award letter; however, an award letter was not in the case files.

We also noted that reviews of the Medical Assistance Program case files are not performed on a consistent basis.

Questioned Costs: Not applicable. The County administers the program, but benefits to participants in this program are paid by the State of Minnesota.

Context: The State of Minnesota contracts with the County's Health and Wellness Administration Division to perform the "intake function" (meeting with the social services client to determine income and categorical eligibility), while the Minnesota DHS maintains MAXIS, which supports the eligibility determination process and actually pays the benefits to the participants.

The Health and Wellness Administration Division has implemented supervisory reviews for other federal programs, and is working on implementing this on a consistent basis across all applicable federal programs.

The sample size was based on guidance from chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: Missing information, or the improper input of information into the MAXIS system, increases the risk that participants will receive benefits when they are not eligible. Supervisory reviews not performed on a consistent basis increases the probability that staff errors will go undetected.

Cause: County program personnel entering case information into the MAXIS system did not ensure all required information was obtained, verified, maintained in the case files, or updated in the MAXIS system. Due to increased caseload demands, staff have not been able to perform supervisory reviews on a consistent basis.

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

Recommendation: We recommend the Health and Wellness Administration Division include in its internal quality control review process a checklist or some method to provide reasonable assurance that all necessary documentation to support eligibility is obtained and properly updated in MAXIS. In addition, consideration should be given to providing additional training to program personnel.

View of Responsible Official: Concur

ITEMS ARISING THIS YEAR

Finding Number 2018-002

Family Home Visiting Eligibility and Reporting

Programs: U.S. Department of Health and Human Services' Temporary Assistance for Needy Families (CFDA No. 93.558), Award No. 1801MNTANF, 2018

Pass-Through Agency: Minnesota Department of Health

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.

The Minnesota Department of Health's TANF Grant Guidelines state that eligibility determinations must occur at least once every 12 months, as well as invoices from the County to the Minnesota Department of Health are due on the 20th day following the end of the quarter.

Condition: The following exceptions were detected:

- In a sample of 40 case files tested, three case files had eligibility determinations eight months or greater overdue, and reviews of the Family Home Visiting case files are not performed on a consistent basis and are not documented.
- All four quarterly invoices submitted for 2018 were submitted after the 20th day following the end of the quarter. These invoices are also not reviewed by a supervisor.

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018**

Questioned Costs: None.

Context: The County uses PH-Doc to document eligibility criteria. The County converted to this system in October 2017. All four quarterly invoices were submitted within nine days after the due date.

The sample sizes were based on guidance from chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: Eligibility determinations not being completed in a timely basis increases the amount of services clients receive when they could potentially be ineligible. It was subsequently determined that the errors would not have had an effect on eligibility. In addition, lack of review over invoices increases the risk of error.

Cause: We were informed that the conversion to the PH-Doc system was a factor in the delay in eligibility redeterminations. It has been past practice for invoices to not be reviewed by a supervisor due to the lack of a qualified individual available to perform this review.

Recommendation: We recommend the County implement oversight procedures to ensure eligibility determinations are completed at least every 12 months. In addition, we recommend a supervisor, or at least an individual other than the preparer, review the invoices to the Minnesota Department of Health for accuracy. We also recommend invoices be submitted within 20 days following quarter-end.

View of Responsible Official: Concur

Finding Number 2018-003

Procurement, Suspension, and Debarment

Program: U.S. Department of Health and Human Services' Temporary Assistance for Needy Families (CFDA No. 93.558), Award No. 1801MNTANF, 2018

Pass-Through Agency: Minnesota Department of Human Services

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018**

Criteria: Federal regulations provided in Title 2 U.S. *Code of Federal Regulations* § 200.318(i) state that the non-federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. Non-federal entities must follow further federal guidance over full and open competition as provided in Title 2 U.S. *Code of Federal Regulations* § 200.319; cost or price analysis provided in Title 2 U.S. *Code of Federal Regulations* § 200.323; and verifying debarment, suspension, and exclusions as provided in Title 2 U.S. *Code of Federal Regulations* §§ 180.300, 200.213, and 200.318(h).

Condition: In a sample of four procurement transactions tested over \$10,000, the following exceptions were detected in each of the tested items:

- The history of procurement was not properly documented.
- No documentation to demonstrate full and open competition was available, nor did the County document a rationale to limit competition.
- The County did not document verification that the vendors were not debarred, suspended, or whether other exclusions existed.

One of the four items tested was above the simplified acquisition threshold. In this instance, the County did not document whether a cost or price analysis was performed.

Questioned Costs: None.

Context: Workforce Solutions did not enter into contracts for transactions related to client support services; rather, direct purchase order accounts were set up with the vendors based on their community standing, needs of the families served, and responsiveness.

Four of 26 procurement transactions over \$10,000 were tested for compliance with federal regulations. Of the procurements tested, each were purchases over \$25,000, and one purchase was over \$250,000.

The sample size was based on guidance from chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018**

Effect: The County is not in compliance with federal regulations.

Cause: The County was not aware that federal procurement requirements are applicable to transactions related to client support services.

Recommendation: We recommend Workforce Solutions work with the County's Procurement Department to ensure any future or current vendor providing client support services has a contract in place and all necessary documentation is maintained.

View of Responsible Official: Concur

IV. PREVIOUSLY REPORTED ITEMS RESOLVED

2017-001 LCTS Reporting

2017-002 Procurement, Suspension, and Debarment

2017-003 Prompt Payment of Invoices

**REPRESENTATION OF RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2018**

Finding Number: 2016-002

Finding Title: Eligibility

Program: Medical Assistance Program (CFDA No. 93.778)

Name of Contact Person Responsible for Corrective Action:

Tina Curry, MSW – Director, Financial Assistance Services Department

Corrective Action Planned:

- Quality Assurance Team has been implemented and is currently reviewing SNAP cases, reviews will be expanded to include the Medical Assistance Program.
- Internal quality control review checklists, specific to each Program area, will be developed to incorporate the verification of necessary support documentation to support eligibility determinations and update status in MAXIS.
- Development and implementation of tracking tools to monitor compliance progress in performing the quality control reviews.
- Department wide communication to staff regarding importance of supporting documentation in the case file prior to approval of the case.
- The detail regarding the Quality Assurance review process and the Corrective Action Plan will be documented to provide guidance for new staff, refreshers for current staff, and to ensure the appropriate actions are followed. The documentation will be reviewed and revised as needed to ensure compliance and consistency throughout the department.
- Supervisors to review with staff documentation needed prior to approval of a case.
- Targeted training continues to be developed based on findings from internal Quality Assurance Team. In the ongoing review of cases by the internal Quality Assurance team, the training will be based upon the type of issues that arise from the reviews, this will vary based upon the program being reviewed and the requirements of said program.
- If errors are found and overpayments occur the Department will follow the protocol of the Minnesota Department of Human Services regarding the collection of any overpayments.

Anticipated Completion Date:

12/31/2019

Finding Number: 2018-001

Finding Title: Material Audit Adjustment

Name of Contact Person Responsible for Corrective Action:

George Hardgrove, CPA(Inactive) – Controller for Ramsey County’s Economic Growth & Community Investment Service Team.

Tony Lutgen – Accountant IV/Accounting Manager for Ramsey County’s Public Works Department

Corrective Action Planned:

Starting for the 2019 Year End Process, Ramsey County will institute two levels of review to support the year-end compilation process. The first review will be by the EGCI Controller which is a new position that started in February of 2019. The EGCI Controller will sign off on the Receivable schedule provided to Ramsey County Central Finance. This will include reviewing items from Ramsey County’s ERP System’s Accounts/Receivable module and any current and/or needed Journal Voucher adjustments.

The second review will be a meeting with the EGCI Controller, the Accountant IV for Public Works, the Principal Finance Analyst(s) for Public Works, and the Accountant IV in Central Finance that prepares the CAFR. At that time, any additional adjustments will be reviewed and approved by these four individuals.

We will also include notes on the Receivable Schedule indicating the revenue recognition rules for each grant from a governmental unit including the State of MN.

Anticipated Completion Date:

April of 2020 when the 2019 CAFR is prepared and finalized.

Finding Number: 2018-002

Finding Title: Family Home Visiting Eligibility and Reporting

Program: Temporary Assistance for Needy Families (CFDA No. 93.558)

Name of Contact Person Responsible for Corrective Action:

Kathy Filbert, Family Health Manager

Corrective Action Planned:

In Family Health at St. Paul Ramsey County we use an electronic medical record called PH Doc, where home visits and communications are charted with clients. Alerts are set up in the system to remind the nurse to determine TANF eligibility and complete a form at first home visit and every 12 months after the last one was completed. The reminders are set up to alert the nurse in the PH Doc system for 1-2 months prior to the due date. We will continue with this practice for our nursing staff to ensure completion in a timely manner.

To implement oversight in the TANF Grant Program the Program Analyst will follow these steps:

TANF form monitoring each month

- A report of caregivers visited in the calendar year will be run.
- A report of the last TANF eligibility form will be run including last date, and last eligibility status.
- A list will be generated of clients whose eligibility determination is late or due within the next month.
- A printed list of these clients will be put into each staff person's mailbox.
- An excel file with the lists will be sent to all supervisors.
- Any client who is late on a subsequent list will be flagged and sent to the division manager.

In March of each year when the Federal Poverty guidelines are published we provide a list of TANF Families identified in the Ph Doc system and give nurses a printed list to complete the TANF eligibility with clients. This list will be shared with their supervisors, if eligibility is not determined and documented within 1-2 months, then the division manager is notified and will follow-up with supervisor's.

To confirm that invoices are being signed and sent to MDH every quarter by the 20th of the month, a process has been put in place. Every month on the 10th the nurse's charting and billing are due to be completed in the system. At the quarter end, all charting is to be submitted by the 10th of that month, then the process begins with Public Health Administration to pull quarter end reports for invoicing. The Family Health Manager reviews TANF invoice for accuracy and then signs, prior to Public Health Administration sending to MDH on the 20th of the month, when the quarter ends.

Anticipated Completion Date:

For 2019, we will pull a list of TANF eligible families as we would do in March of each year. The list will be given to the nurses and sent to supervisors to complete within 1-2 months. We have begun to pull monthly reports in June 2019 and this will be an ongoing quality improvement project for remainder of the grant. The reviewing of the TANF invoices by the Family Health Manager will begin July 2019 and will continue throughout the grant cycle.

Finding Number: 2018-003

Finding Title: Procurement, Suspension, and Debarment

Program: Temporary Assistance for Needy Families (CFDA No. 93.558)

Name of Contact Person Responsible for Corrective Action:

George Hardgrove, CPA(Inactive) – Controller for Ramsey County’s Economic Growth & Community Investment Service Team.

Holly Schnetzler – Accountant IV/Accounting Manager for Ramsey County’s Workforce Solutions Department

Corrective Action Planned:

New management came on Board during the first quarter of 2019. This included Holly Schnetzler and George Hardgrove (from above) and a new Director for Ramsey County Workforce Solutions (Ling Becker). All of these individuals will take the following actions to ensure Ramsey County and Federal Procurement rules are followed no later than November 1, 2019.

We will hold training sessions for all Workforce Solution employees who are involved in the procurement process. We will have the training materials and sign-in sheets on file.

In addition, the three Individuals will send out a communication to all Workforce employees involved in procurement emphasizing the importance of following the regulations. This will also be included as part of the on-boarding process for any new Workforce employees who are involved in procurement.

We will ensure that contracts are in place for any purchases on Federal Grants that are over \$5,000 during a 5-year period if we can get vendors to respond to the RFP. If not, we’ll have justifications on file on why we selected the Support Services vendors. We will use Ramsey County’s Central Purchasing department to ensure that each contract is properly documented, (rational, contractor selection, basis of contract price and analysis, and debarment review). Ramsey County’s ERP system will have the contract number linked to payments that are over the above threshold. (If we can get contracts from the vendors as mentioned above.)

Lastly, each grant purchase will have a sign-off by a Workforce Solutions Program Manager indicating that these procedures were followed. Each payment will also be approved by the Workforce Solutions Accounting Manager (Acct IV) or their designee to indicate it’s on the proper contract when entered into the ERP system.

Anticipated Completion Date:

November 1, 2019.

**REPRESENTATION OF RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Finding Number: 2016-002

Finding Title: Eligibility

Program: Medical Assistance Program (CFDA No. 93.778)

Summary of Condition: The Minnesota Department of Human Services (DHS) maintains the computer system, MAXIS, which is used by the County to support the eligibility determination process. The following exceptions were detected in a sample of 40 cases tested:

- Ten case files had asset information in the MAXIS system that did not match the supporting documentation provided.
- Two case files had participant's asset values that were over the asset limit.
- One case file did not have an application on file.
- One case file had an application that was not date and time stamped when received.

Summary of Corrective Action Previously Reported:

- Department wide communication to staff regarding importance of supporting documentation in the case file prior to approval of the case.
- Supervisors to review with staff documentation needed prior to approval of a case.
- Quality Assurance Team has been implemented and is currently reviewing SNAP cases; reviews will be expanded to include other programs.
- Targeted training to be developed based on findings from internal Quality Assurance Team.
- If errors are found and overpayments occur the Department will follow the protocol of the Minnesota Department of Human Services regarding the collection of any overpayments.

Status: Not Corrected.

Background of original corrective action:

When the Corrective Action Plan (CAP) was initially developed the Financial Assistance Services Department was relying on an electronic quality assurance review platform. The subsequent delay in the development of that platform required the Department develop a manual audit process (MAP). The MAP started with other Program areas, but the implementation has been delayed in the Medical Assistance area due to the complexity and nature of the Long-Term Care case files, the significant turnover of experienced supervisors and line staff in that program area and understaffing within the department.

New initiative, started in 2018 and continuing in 2019:

The internal quality assurance team will target training as needed based on findings and/or issues determined through the review of case files. The department will work in conjunction with the Health &

Wellness Administration Division to help strengthen their current MAP in order to comply with the agreed CAP and the regulations of the grant funds. Health & Wellness Administration will also be more involved at the Manager and Supervisor level when they implement the plan by helping them develop the tracking tools to monitor their compliance progress in performing their audits. The development of the MAP, the compliance progress tracking tools and the implementation of both are targeted for completion by the end of 12/31/2019. Given the complexity of the case files and the effect on institutional knowledge due to the high turnover in the Medical Assistance Program area, Health & Wellness Administration Division's direct involvement in the development of the MAP and the tracking tools that will monitor audit process compliance will help organize, validate and codify the new workflows going forward. The MAP and CAP details will be documented to provide guidance for new staff, refreshers for current staff, and to ensure the appropriate actions are followed. The documentation will be reviewed and revised as needed to ensure compliance and consistency throughout the department.

Was corrective action taken significantly different than the action previously reported?
Yes _____ No X

Finding Number: 2017-001

Finding Title: LCTS Reporting

Programs: Foster Care - Title IV-E (CFDA No. 93.658) and Medical Assistance Program (CFDA No. 93.778)

Summary of Condition: In the sample of two quarterly DHS-3220 reports tested that were completed by the County's Community Corrections Department, \$178,781 in overstated expenditures were noted.

Summary of Corrective Action Previously Reported:

- Review the training needs of the program personnel within the Community Corrections Department tasked with compiling data used to complete the report and revamping the current training processes.
- Change the existing workflow by doing the following:
 - Conducting Quality Assurance independently within the Community Corrections Department of the DHS-3220 report for accuracy before submission of information to Health and Wellness Administrative Division (HWAD) team.
 - Submitting backup information (data pulls, spreadsheets, etc.) with the DHS-3220 report so that the HWAD accountants can review information before compiling data for final submission.
- The Health & Wellness accountant will conduct an independent review of the backup information (data pulls, spreadsheets, etc.) submitted with the DHS-3220 report from the different agencies to confirm the data listed on the final report.
- The assigned FRAPA accountant will review the quarterly LCTS report with the HWAD Accountant 4 prior to submission to DHS.
- Any issues arising from the review of prior LCTS reports in 2018 will be resolved with Minnesota Department of Human Service.

Status: Fully Corrected. Corrective action was taken.
Was corrective action taken significantly different than the action previously reported?
Yes _____ No X

Finding Number: 2017-002
Finding Title: Procurement, Suspension, and Debarment
Program: Medical Assistance Program (CFDA No. 93.778)

Summary of Condition: The following exceptions were detected in the sample of 16 procurement transactions over \$3,500 tested:

- In four instances, the history of procurement was not properly documented.
- In four instances, the procurement documentation to show full and open competition was not available.
- In two instances, the County did not document a rationale to limit competition.
- In two instances, the County did not document if a cost and price analysis was performed for purchases over the simplified acquisition threshold.

Additionally, in the sample of eight purchases over \$25,000 tested, four purchases did not have verification performed by the County to determine whether vendors were suspended or debarred or whether other exclusions existed.

Summary of Corrective Action Previously Reported:

- Revise and develop procedures to align with County policy.
- Implementation of workflow changes and possible system changes based upon the revised procedures above.
- Train staff regarding procedures, workflow changes to comply with County policy.
- Part of the development of the procedures will include a plan for ongoing monitoring.
- To ensure the procedures developed are following both County policy and the Code of Federal Regulations communication will occur with the County Procurement Office and the Finance Department for both to approve the developed procedures

The above plan will include issues such as method of procurement, open competition, selection of vendor and verification of suspension, debarment or if other exclusions are applicable.

Status: Fully Corrected. Corrective action was taken.
Was corrective action taken significantly different than the action previously reported?
Yes _____ No X

Finding Number: 2017-003
Finding Title: Prompt Payment of Invoices

Summary of Condition: Three of the 25 invoices tested for compliance with Minn. Stat. § 471.425 were not paid within 35 days.

Summary of Corrective Action Previously Reported:

- Cross train multiple accounts payable staff on various payment types.
- Review and revise if necessary the workflow monitoring invoices waiting payment.
- If an invoice is close to or beyond the 35-day payment threshold; it will be communicated to the Accountant 4 by the Accounts Payable Supervisor.
- If there is an instance communicated to the Accountant 4, an analysis will be done to determine how to revise the workflow (including verification and authorization of invoice) to continue to improve the process.

Status: Fully Corrected. Corrective action was taken.

Was corrective action taken significantly different than the action previously reported?

Yes _____ No X

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed through Minnesota Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	ED-02381-01E	\$ 23,354	\$ -
National School Lunch Program	10.555	ED-02381-01E	44,113	-
Passed through Minnesota Department of Health				
Special Supplemental Nutrition Program for Women, Infants, and Children				
	10.557	32573	3,189,565	-
Special Supplemental Nutrition Program for Women, Infants, and Children				
	10.557	12-700-000093	128,293	-
(Total Special Supplemental Nutrition Program for Women, Infants, and Children 10.557 \$3,317,858)				
Passed through Minnesota Department of Human Services				
SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program				
	10.561	182MN101S2520	21,253	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program				
	10.561	182MN101S2514	5,989,453	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program				
	10.561	178MN127Q7503	365,555	-
(Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 10.561 \$6,376,261)				
Total U.S. Department of Agriculture			\$ 9,761,586	\$ -
U.S. Department of Housing and Urban Development				
Direct				
CDBG – Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218		\$ 1,302,581	\$ 695,374
Continuum of Care Program	14.267		95,668	-
Passed through Dakota County Community Development Agency				
Home Investment Partnerships Program	14.239	M17DC270203	646,784	-
Passed through Hennepin County, Minnesota				
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	MNLHD0279-15	277,522	-
Passed through City of Saint Paul, Minnesota				
Lead Hazard Reduction Demonstration Grant Program	14.905	Not Provided	191,408	-
Total U.S. Department of Housing and Urban Development			\$ 2,513,963	\$ 695,374

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Justice				
Direct				
State Criminal Alien Assistance Program	16.606		\$ 143,834	\$ -
Passed through Minnesota Department of Public Safety				
Crime Victim Assistance	16.575	A-CVS-2018-RAMSEYAO-00070	167,803	-
Crime Victim Assistance	16.575	A-CVS-2017-RAMS-SOS-00058	204,577	-
(Total Crime Victim Assistance 16.575 \$372,380)				
Violence Against Women Formula Grants	16.588	A-SMART-2017-RAMS-SOS-00009	12,581	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	A-JAG-2017-RAMSEYCC-00046	192,688	-
			<u>\$ 577,649</u>	<u>\$ -</u>
Total U.S. Department of Justice				
U.S. Department of Labor				
Passed through Minnesota Department of Employment and Economic Development				
WIA Cluster				
WIA Adult Program	17.258	6153100	\$ 50,654	\$ -
WIA Adult Program	17.258	7153100	504,146	-
WIA Adult Program	17.258	8153100	71,948	-
(Total WIA Adult Program 17.258 \$626,748)				
WIA Youth Activities	17.259	6153600	11,125	-
WIA Youth Activities	17.259	7153600	387,554	-
(Total WIA Youth Activities 17.259 \$398,679)				
WIA Dislocated Worker Formula Grants	17.278	6158000	117,252	-
WIA Dislocated Worker Formula Grants	17.278	7158000	335,246	-
WIA Dislocated Worker Formula Grants	17.278	8158000	123,766	-
(Total WIA Dislocated Worker Formula Grants 17.278 \$576,264)				
Workforce Investment Act (WIA) National Emergency Grants	17.277	5157200	45,168	-
			<u>\$ 1,646,859</u>	<u>\$ -</u>
Total U.S. Department of Labor				
U.S. Department of Transportation				
Passed through Minnesota Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	SP 31-595-023	\$ 2,850,779	\$ -
High-Speed Rail Corridors and Intercity Passenger Rail Service – Capital Assistance Grants	20.319	9871	63,158	-
Passed through Minnesota Department of Public Safety				
Highway Safety Cluster				
State and Community Highway Safety	20.600	A-ENFRC17-2017-RAMSEYSD-016	95,588	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC17-2017-RAMSEYSD-016	255,537	-
Highway Safety Cluster				
National Priority Safety Programs	20.616	A-ENFRC17-2017-RAMSEYSD-016	93,462	-
			<u>\$ 3,358,524</u>	<u>\$ -</u>
Total U.S. Department of Transportation				

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
Institute of Museum and Library Services				
Passed through Minnesota Department of Education				
Grants to States	45.310	LS-00-17-0024-17	\$ 28,716	\$ -
U.S. Department of Health and Human Services				
Direct				
Family Planning – Services	93.217		\$ 366,354	\$ -
Passed through Minnesota Department of Human Services				
Guardianship Assistance	93.090	1801MNGARD	95,705	-
Promoting Safe and Stable Families TANF Cluster	93.556	G-1701MNFPS	166,615	7,655
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$16,015,807)	93.558	1801MNTANF	14,988,773	6,284,093
Child Support Enforcement	93.563	1804MNCSES	11,880,408	-
Child Support Enforcement (Total Child Support Enforcement 93.563 \$13,025,816)	93.563	1804MNCENT	1,145,408	-
Refugee and Entrant Assistance – State Administered Programs	93.566	1801MNRCA	5,603	-
Community-Based Child Abuse Prevention Grants CCDF Cluster	93.590	G-1702MNFPRG	203,900	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	G1801MNCCDF	1,164,175	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1701MNCWSS	101,291	-
Foster Care – Title IV-E	93.658	1801MNFOST	5,649,501	-
Adoption Assistance	93.659	1801MNADPT	491,132	-
Social Services Block Grant	93.667	G-1801MNSOSR	3,634,007	-
Child Abuse and Neglect State Grants	93.669	G-1801MNNCAN	3,283	-
Chafee Foster Care Independence Program	93.674	G-1801MNCILP	20,763	-
Children's Health Insurance Program Medicaid Cluster	93.767	1805MN5R21	804	-
Medical Assistance Program	93.778	1805MN5ADM	22,451,201	-
Medical Assistance Program	93.778	1805MN5MAP	52,931	-
Medical Assistance Program (Total Medical Assistance Program 93.778 \$26,788,923)	93.778	Not Provided	4,284,791	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2B08T1O10027-17	850,480	-
Passed through Minnesota Department of Health				
Public Health Emergency Preparedness	93.069	CFC-RFA-TP12-12010302SUPP15	88,905	-
Public Health Emergency Preparedness (Total Public Health Emergency Preparedness 93.069 \$330,613)	93.069	NU90TP921911-01-00	241,708	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	U52PS004701-03	22,000	-
Affordable Care Act (ACA) Abstinence Education Program	93.235	12-700-00093	209,846	-
Universal Newborn Hearing Screening	93.251	H61MC00035-16-02	43,913	-
Immunization Cooperative Agreements	93.268	67543	156,446	-

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services				
Passed through Minnesota Department of Health (Continued)				
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	68583	9,500	-
TANF Cluster				
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$16,015,807)	93.558	1801MNTANF	1,027,034	15,750
Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health (PPHF) Program	93.753	39278	15,000	-
Maternal, Infant, and Early Childhood Home Visiting Cluster				
Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	118110	1,585,003	-
HIV Care Formula Grants	93.917	Not Provided	4,086	-
HIV Prevention Activities – Health Department Based	93.940	38884	132,099	-
Maternal and Child Health Services Block Grant to the States	93.994	86857	860,374	-
Passed through Wayside Recovery				
Opioid STR	93.788	Not Provided	4,167	-
Total U.S. Department of Health and Human Services			\$ 71,957,206	\$ 6,307,498
Executive Office of the President				
Direct				
High Intensity Drug Trafficking Areas Program	95.001		\$ 198,630	\$ -
U.S. Department of Homeland Security				
Passed through Minnesota Department of Public Safety				
Emergency Management Performance Grants	97.042	F-EMPG-2017-RAMSEYCO-064	\$ 197,537	\$ -
Homeland Security Grant Program	97.067	A-UASI-2017-RAMSEYCO-0009	440,784	87,333
Passed through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	97.012	R29G40CGFFY16	25,103	-
Total U.S. Department of Homeland Security			\$ 663,424	\$ 87,333
Total Federal Awards			\$ 90,706,557	\$ 7,090,205

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
Totals by Cluster				
Total expenditures for Child Nutrition Cluster			\$ 67,467	
Total expenditures for SNAP Cluster			6,376,261	
Total expenditures for CDBG – Entitlement Grants Cluster			1,302,581	
Total expenditures for WIA Cluster			1,601,691	
Total expenditures for Highway Planning and Construction Cluster			2,850,779	
Total expenditures for Highway Safety Cluster			189,050	
Total expenditures for TANF Cluster			16,015,807	
Total expenditures for CCDF Cluster			1,164,175	
Total expenditures for Medicaid Cluster			26,788,923	
Total expenditures for Maternal, Infant, and Early Childhood Home Visiting Cluster			1,585,003	

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**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Ramsey County. The County's reporting entity is defined in Note I to the financial statements.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Ramsey County under programs of the federal government for the year ended December 31, 2018. 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 Ramsey County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Ramsey County.

3. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Ramsey County has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 90,853,201
Grants received more than 60 days after year-end, deferred in 2018	
Community Development Block Grants/Entitlement Grants	16,112
Home Investment Partnerships Program	274,000
State Criminal Alien Assistance Program	255,834
WIA – Adult Program	41,122
WIA – Dislocated Worker Formula Grants	33,813
Grants to States	7,848
Promoting Safe and Stable Families	59,512
Temporary Assistance for Needy Families	4,194,859
Community-Based Child Abuse Prevention Grants	50,975
Stephanie Tubbs Jones Child Welfare Services Program	45,190
Chafee Foster Care Independence Program	4,777
Block Grants for Prevention and Treatment of Substance Abuse	69,913
Lead-Based Paint Hazardous Control in Privately-Owned Housing	72,958
Grants deferred in 2017, recognized as revenue in 2018	
State Criminal Alien Assistance Program	(112,000)
Promoting Safe and Stable Families	(32,005)
Temporary Assistance for Needy Families	(4,887,608)
Community-Based Child Abuse Prevention Grants	(65,171)
Stephanie Tubbs Jones Child Welfare Services Program	(28,722)
Chafee Foster Care Independence Program	(4,217)
	<hr/>
Expenditures Per Schedule of Expenditures of Federal Awards	\$ 90,850,391