



Elizabeth Comfort  
Finance Director

**Department of Finance**

Public Services Building  
2051 Kaen Road, Suite 490 | Oregon City, OR 97045

June 6, 2024

BCC Agenda Date/Item: \_\_\_\_\_

Board of County Commissioners  
Clackamas County

**Acknowledging the Fiscal Year 2023 Audit Findings and Approving the Plan of Corrective Action to address the findings. No fiscal impact. No County General Funds are involved.**

<b>Previous Board Action/Review</b>	Issues Update – May 21, 2024		
<b>Performance Clackamas</b>	This item Builds Trust through Good Government by increasing transparency and access of public information.		
<b>Counsel Review</b>	Yes	<b>Procurement Review</b>	No
<b>Contact Person</b>	Elizabeth Comfort	<b>Contact Phone</b>	503-936-5345

**EXECUTIVE SUMMARY:** Health Centers, a Division of the Health, Housing and Human Services Department requests acknowledgement and approval of the Plan of Action to correct the finding in the Fiscal Year 2023 Audit completed on May 16, 2024 by Moss Adams LLP.

During the Fiscal Year-2023 audit, it was found that there was a Significant Deficiency in Internal Control over Compliance. This significant deficiency was related to the late submission of three SF-425 Federal Financial Reports (FFR) for the Health Centers Program Cluster. Health Centers has a history of timely submission of their federal reports; however, these reports were filed after the deadline. The Health, Housing & Human Services department has prepared a Plan of Action that will address the issues identified.

The full audit report from Moss Adams and the Plan of Action detailing the Health, Housing, and Human Services Department’s proposed actions to improve performance is attached. The Health, Housing, and Human Services Department is confident its Plan of Action will ensure the Health, Housing and Human Services department’s ability to meet future reporting deadlines and avoid future findings.

**RECOMMENDATION:** Staff respectfully recommend the Board approve the Plan of Action addressing The Health, Housing and Human Services Department’s Audit findings.

Respectfully submitted,

*Elizabeth Comfort*

Elizabeth Comfort  
Finance Director

For Filing Use Only



Elizabeth Comfort  
Finance Director

**Department of Finance**

Public Services Building  
2051 Kaen Road, Suite 490 | Oregon City, OR 97045

May 16<sup>th</sup>, 2024

In accordance with OMB Uniform Guidance, we have provided below Clackamas County's response and corrective action plan addressing the findings in the "Report on Federal Awards in Accordance with the OMB Uniform Guidance" for the fiscal year that ended June 30, 2023.

**Finding 2023-002: Reporting – Significant Deficiency in Internal Control over Compliance**

Management agrees with the finding and the auditor's recommendation.

**Contact Person responsible for corrective action:**

Patrick Williams  
Deputy Finance Director  
pwilliams@clackamas.us  
971-325-5392

**Corrective Action Planned:**

Procedures will be incorporated into the County workflow to provide additional monitoring, oversight, and record retention related to reporting. These will include:

- Compiling a comprehensive inventory of grants and reporting deadlines, including for reporting submitted by departments
- Timely monitoring for the status of reporting and tracking of extensions
- Obtain copies of all grant reports and documentation of extensions
- Report status of pending and/or delinquent reports due to funding sources at quarterly Finance/Performance Clackamas Check-in meetings with the Health, Housing & Human Services Director's Office.

**Anticipated Completion Date:**

September 30th, 2024

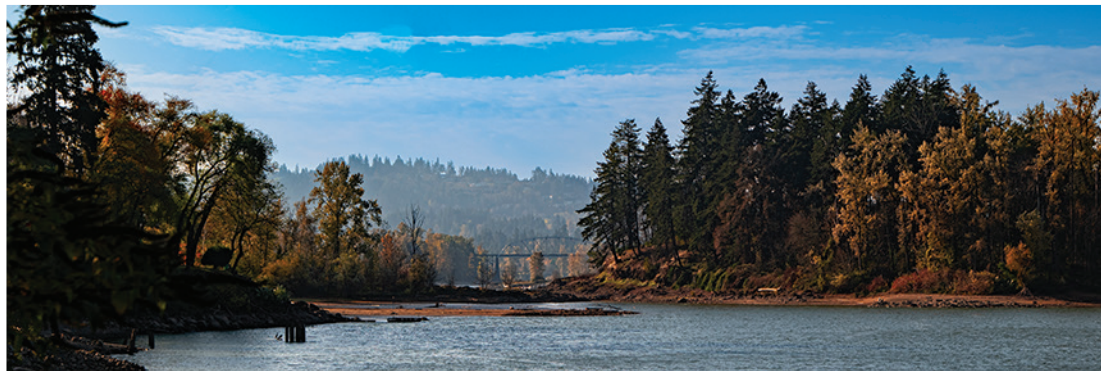
Sincerely,

Elizabeth Comfort  
Finance Director



# Audit of Federal Awards Performed in Accordance with Government Auditing Standards and Uniform Guidance and Supplementary Information

*For the fiscal year ended June 30, 2023*



**CLACKAMAS COUNTY, OREGON  
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# **Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

The Board of County Commissioners  
Clackamas County, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clackamas County, Oregon (the County) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 16, 2024. Our report includes a reference to other auditors who audited the financial statements of Easton Ridge, LLC, Pedcor Investments 2016-CLV LP, Hillside Manor LP, Webster Road Housing LP, and Workforce Investment Council of Clackamas County, Inc. dba Clackamas Workforce Partnership, aggregate discretely presented component units, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

## **Report on Internal Control Over Financial Reporting**

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

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



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying scheduling of findings and questioned costs as item 2023-001, that we consider to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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*.

### **The County's Response to the Finding**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Portland, Oregon

May 16, 2024



# **Report of Independent Auditors on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

The Board of Commissioners  
Clackamas County, Oregon

## **Report on Compliance for Each Major Federal Program**

### ***Opinion on Each Major Federal Program***

We have audited Clackamas County, Oregon's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Housing Authority of Clackamas County (the Authority) and Workforce Investment Council of Clackamas County, Inc. dba Clackamas Workforce Partnership (CWP), which expended \$29,192,427 and \$2,375,182, respectively, in federal awards which are not included in the County's schedule of expenditures of federal awards for the year ended June 30, 2023. Our audit, described below, did not include the operations of the Authority because the Authority elected to perform a separate audit on compliance over the Authority's separately issued schedule of expenditures of federal awards for the year ended June 30, 2023. Our audit also did not include CWP because CWP engaged other auditors to perform a separate audit on compliance over CWP's separately issued schedule of expenditures of federal awards for the year ended June 30, 2023.

In our opinion, the 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 June 30, 2023.

### ***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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the 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 the 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 the 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 the 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the 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.



## **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 certain 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 2023-002 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.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 16, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Portland, Oregon  
May 16, 2024

**CLACKAMAS COUNTY, OREGON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Assistance Listing Number	Program or Cluster Title	Pass-Through Grantor	Pass-Through Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
10.665	Schools and Roads-Grants to States		Direct	19,152	-
	<b>TOTAL FOREST SERVICE SCHOOLS AND ROADS CLUSTER</b>			<b>19,152</b>	<b>-</b>
10.447	The Rural Development (RD) Multi-Family Housing Revitalization Demonstration Program (MPR) - Loans Receivable as of 6/30/2022		Direct	50,000	-
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	Pass Through From: Oregon Health Authority	169503	803,098	-
10.664	Cooperative Forestry Assistance		Direct	34,582	-
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>				<b>906,832</b>	<b>-</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
14.218	Community Development Block Grants/Entitlement Grants		Direct	2,132,006	118,169
14.218	COVID-19 - Community Development Block Grants/Entitlement Grants		Direct	1,200,785	-
14.218	Community Development Block Grants/Entitlement Grants - Program Income		Direct	225,366	-
14.218	Community Development Block Grants/Entitlement Grants - Loans Receivable as of 6/30/2022		Direct	4,494,457	-
14.218	Community Development Block Grants/Entitlement Grants - Loans Receivable as of 6/30/2022	Pass Through From: Oregon Housing and Community Services	1088	1,127,938	-
	<b>TOTAL Community Development Block Grants/Entitlement Grants - 14.218</b>			<b>9,180,552</b>	<b>118,169</b>
	<b>TOTAL CDBG - ENTITLEMENT GRANTS CLUSTER</b>			<b>9,180,552</b>	<b>118,169</b>
14.231	Emergency Solutions Grant Program		Direct	78,011	-
14.231	COVID-19 - Emergency Solutions Grant Program		Direct	323,617	319,988
14.231	Emergency Solutions Grant Program	Pass Through From: Oregon Housing and Community Services	MGA #7005	10,918	9,351
	<b>TOTAL Emergency Solutions Grant Program - 14.231</b>			<b>412,546</b>	<b>329,339</b>
14.239	Home Investment Partnerships Program		Direct	794,915	-
14.239	Home Investment Partnerships Program - Program Income		Direct	246,962	-
14.239	Home Investment Partnerships Program - Loans Receivable as of 6/30/2022		Direct	18,954,200	-
	<b>TOTAL Home Investment Partnerships Program - 14.239</b>			<b>19,996,077</b>	<b>-</b>
14.256	Neighborhood Stabilizations Program (Recovery Act Funded) - Loans Receivable as of 6/30/2022	Pass Through From: Oregon Housing and Community Services	1123	428,223	-
14.267	Continuum of Care Program		Direct	1,288,008	-
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				<b>31,305,406</b>	<b>447,508</b>
<b>U.S. DEPARTMENT OF THE INTERIOR</b>					
15.605	Sport Fish Restoration Program	Pass Through From: Oregon Department of Fish & Wildlife	029-022	121,956	-
	<b>TOTAL FISH AND WILDLIFE CLUSTER</b>			<b>121,956</b>	<b>-</b>
15.616	Clean Vessel Act	Pass Through From: Oregon Marine Board	2123-033	1,350	-
<b>TOTAL U.S. DEPARTMENT OF THE INTERIOR</b>				<b>123,306</b>	<b>-</b>

**CLACKAMAS COUNTY, OREGON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Assistance Listing Number	Program or Cluster Title	Pass-Through Grantor	Pass-Through Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
<b>U.S. DEPARTMENT OF JUSTICE:</b>					
16.021	Justice Systems Response to Families	Pass Through From: Clackamas Women's Services	2019-FJ-AX-006-01	26,493	-
16.575	Crime Victim Assistance	Pass Through From: Oregon Department of Justice	VOCA/CFA-2021-ClackamasCo.DAVAP-00019	459,536	-
16.585	Drug Court Discretionary Grant Program		Direct	224,257	-
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program		Direct	186,784	135,609
16.738	Edward Byrne Memorial Justice Assistance Grant Program		Direct	2,866	-
16.812	Second Chance Act Reentry Initiative		Direct	2,955	-
16.838	Comprehensive Opioid, Stimulant, and Substance Abuse Program		Direct	499,323	431,491
16.838	Comprehensive Opioid, Stimulant, and Substance Abuse Program	Pass Through From: Institute for Intergovernmental Research	2020-BRIDGES-0062	44,539	-
	<b>TOTAL Comprehensive Opioid, Stimulant, and Substance Abuse Program - 16.838</b>			<b>543,862</b>	<b>431,491</b>
16.842	Opioid Affected Youth Initiative		Direct	80,301	31,412
16.922	Equitable Sharing Program		Direct	17,408	-
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>				<b>1,544,462</b>	<b>598,512</b>
<b>U.S. DEPARTMENT OF LABOR</b>					
17.259	WIOA Youth Activities	Pass Through From: Clackamas Education Service District	IGA	43,000	-
	<b>TOTAL WIOA CLUSTER</b>			<b>43,000</b>	<b>-</b>
17.805	Homeless Veterans' Reintegration Program		Direct	69,123	-
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>				<b>112,123</b>	<b>-</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>					
20.218	Motor Carrier Safety Assistance Program	Pass Through From: Oregon Department of Transportation	73000-00004096-02	27,975	-
	<b>TOTAL FMCSA CLUSTER</b>			<b>27,975</b>	<b>-</b>
20.507	Federal Transit Formula Grants	Pass Through From: Metro	936220	76,625	-
	<b>TOTAL FEDERAL TRANSIT CLUSTER</b>			<b>76,625</b>	<b>-</b>
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	Pass Through From: Oregon Department of Transportation	35148	120,160	35,770
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	Pass Through From: Ride Connection	18919	50,004	35,147
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	Pass Through From: Ride Connection	18970	4,182	-
	<b>TOTAL Enhanced Mobility of Seniors and Individuals with Disabilities - 20.513</b>			<b>174,346</b>	<b>70,917</b>
	<b>TOTAL TRANSIT SERVICES PROGRAMS CLUSTER</b>			<b>174,346</b>	<b>70,917</b>

**CLACKAMAS COUNTY, OREGON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Assistance Listing Number	Program or Cluster Title	Pass-Through Grantor	Pass-Through Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
20.600	State and Community Highway Safety	Pass Through From: Oregon Department of Transportation	PS-22-68-11 003	572	-
20.600	State and Community Highway Safety	Pass Through From: Oregon Department of Transportation	PS-23-68-11 004	45,572	-
20.600	State and Community Highway Safety	Pass Through From: Oregon Department of Transportation	SA-22-25-02	42,400	-
20.600	State and Community Highway Safety	Pass Through From: Oregon Department of Transportation	SA-23-25-02	50,000	-
20.600	State and Community Highway Safety	Pass Through From: Oregon Impact	2022	2,052	-
20.600	State and Community Highway Safety	Pass Through From: Oregon Impact	2023	13,142	-
	<b>TOTAL State and Community Highway Safety - 20.600</b>			<b>153,738</b>	<b>-</b>
20.616	National Priority Safety Programs	Pass Through From: Oregon Department of Transportation	M1HVE-22-46-03 BBB	2,382	-
20.616	National Priority Safety Programs	Pass Through From: Oregon Department of Transportation	M1HVE-23-46-03 BBB	4,023	-
20.616	National Priority Safety Programs	Pass Through From: Oregon Impact	2022	4,955	-
20.616	National Priority Safety Programs	Pass Through From: Oregon Impact	2023	14,573	-
	<b>TOTAL National Priority Safety Programs - 20.616</b>			<b>25,933</b>	<b>-</b>
	<b>TOTAL HIGHWAY SAFETY CLUSTER</b>			<b>179,671</b>	<b>-</b>
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	30923	157,776	-
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	31035	324,997	-
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	31087	64,331	-
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	32607	2,708,939	-
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	33150	1,292,846	-
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	34822	13,840	-
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	34925	1,340	-
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	73000-00008600	219,091	-
	<b>TOTAL Highway Planning and Construction (Federal-Aid Highway Program) - 20.205</b>			<b>4,783,160</b>	<b>-</b>
20.224	Federal Lands Access Program		Direct	3,134,972	-
20.509	COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	Pass Through From: Oregon Department of Transportation	34975	613,057	-
20.509	Formula Grants for Rural Areas and Tribal Transit Program - Program Income	Pass Through From: Oregon Department of Transportation	34975	106,557	-
20.509	Formula Grants for Rural Areas and Tribal Transit Program	Pass Through From: Oregon Department of Transportation	35064	116,000	-
	<b>TOTAL Formula Grants for Rural Areas and Tribal Transit Program - 20.509</b>			<b>835,614</b>	<b>-</b>
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	Pass Through From: Oregon State Police	IGA FFY-21-HMEP-CLACKAMAS_ERP	19,534	-
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>				<b>9,231,897</b>	<b>70,917</b>



**CLACKAMAS COUNTY, OREGON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Assistance Listing Number	Program or Cluster Title	Pass-Through Grantor	Pass-Through Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
<b>U.S. DEPARTMENT OF THE TREASURY</b>					
21.023	COVID-19 - Emergency Rental Assistance Program		Direct	4,999,360	2,399,126
21.023	COVID-19 - Emergency Rental Assistance Program	Pass Through From: Oregon Housing and Community Services	6183	(2,523)	-
	<b>TOTAL Emergency Rental Assistance Program - 21.023</b>			<b>4,996,837</b>	<b>2,399,126</b>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds		Direct	10,419,427	694,990
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>				<b>15,416,264</b>	<b>3,094,116</b>
<b>GENERAL SERVICES ADMINISTRATION</b>					
39.003	Donation of Federal Surplus Personal Property	Pass Through From: Oregon Department of Administrative Services	ARK47287	11,311	-
<b>TOTAL GENERAL SERVICES ADMINISTRATION</b>				<b>11,311</b>	<b>-</b>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>					
66.468	Capitalization Grants for Drinking Water State Revolving Fund	Pass Through From: Oregon Health Authority	169503	56,752	-
	<b>TOTAL DRINKING WATER STATE REVOLVING FUND (DWSRF) CLUSTER</b>			<b>56,752</b>	<b>-</b>
66.432	State Public Water System Supervision	Pass Through From: Oregon Health Authority	169503	56,752	-
<b>TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY</b>				<b>113,504</b>	<b>-</b>
<b>U.S. DEPARTMENT OF ENERGY</b>					
81.U01	Low-income Energy Efficiency Program (LIEE)	Pass Through From: Oregon State Housing and Community Services	MGA #7005	18,158	-
81.042	Weatherization Assistance for Low-Income Persons	Pass Through From: Oregon State Housing and Community Services	MGA #7005	194,484	-
81.042	Weatherization Assistance for Low-Income Persons	Pass Through From: Oregon State Housing and Community Services	BIL - DOE YR 1	63,036	-
	<b>TOTAL Weatherization Assistance for Low-Income Persons - 81.042</b>			<b>257,520</b>	<b>-</b>
<b>TOTAL U.S. DEPARTMENT OF ENERGY</b>				<b>275,678</b>	<b>-</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Pass Through From: Oregon Department of Human Services	171482	826,232	297,116
93.044	COVID-19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Pass Through From: Oregon Department of Human Services	171482	63,728	8,000
	<b>TOTAL Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers and CARES Act for Supportive Services Under Title III-B of the Older Americans Act - 93.044</b>			<b>889,960</b>	<b>305,116</b>
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	Pass Through From: Oregon Department of Human Services	171482	1,399,387	863,965
	<b>TOTAL Nutrition Services and CARES Act for Nutrition Services under Title III-C of the Older Americans Act - 93.045</b>			<b>1,399,387</b>	<b>863,965</b>
93.053	Nutrition Services Incentive Program	Pass Through From: Oregon Department of Human Services	171482	137,687	65,960
	<b>TOTAL AGING CLUSTER</b>			<b>2,427,034</b>	<b>1,235,041</b>

**CLACKAMAS COUNTY, OREGON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Assistance Listing Number	Program or Cluster Title	Pass-Through Grantor	Pass-Through Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
93.224	Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)		Direct	389,084	-
93.224	COVID-19 - Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)		Direct	1,912,780	-
93.224	Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care) - Program Income		Direct	4,875,473	-
<b>TOTAL Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care) - 93.224</b>				<b>7,177,337</b>	<b>-</b>
93.527	Grants for New and Expanded Services under the Health Center Program		Direct	2,480,877	-
93.527	COVID-19 - Grants for New and Expanded Services under the Health Center Program		Direct	214,893	-
93.527	Grants for New and Expanded Services under the Health Center Program - Program Income		Direct	30,515,023	-
<b>TOTAL Grants for New and Expanded Services under the Health Center Program - 93.527</b>				<b>33,210,793</b>	<b>-</b>
<b>TOTAL HEALTH CENTER PROGRAM CLUSTER</b>				<b>40,388,130</b>	<b>-</b>
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	Pass Through From: Oregon Department of Human Services	171482	60,643	33,000
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	Pass Through From: Oregon Department of Human Services	174872	15,800	-
93.052	National Family Caregiver Support, Title III, Part E	Pass Through From: Oregon Department of Human Services	171482	249,672	22,794
93.069	Public Health Emergency Preparedness	Pass Through From: Oregon Health Authority	169503	238,539	-
93.071	Medicare Enrollment Assistance Program	Pass Through From: Oregon Department of Human Services	170640	3,025	-
93.071	Medicare Enrollment Assistance Program	Pass Through From: Oregon Department of Human Services	177970	6,301	-
<b>Total Medicare Enrollment Assistance Program - 93.071</b>				<b>9,326</b>	<b>-</b>
93.103	Food and Drug Administration Research	Pass Through From: National Environmental Health Association	G-BDEV-202111-01488	10,000	-
93.103	Food and Drug Administration Research	Pass Through From: National Environmental Health Association	G-OATR-202111-01945	3,814	-
<b>TOTAL Food and Drug Administration Research - 93.103</b>				<b>13,814</b>	<b>-</b>
93.136	Injury Prevention and Control Research and State and Community Based Programs	Pass Through From: Oregon Health Authority	169503	12,584	-
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance		Direct	673,153	156,215
93.268	Immunization Cooperative Agreements	Pass Through From: Oregon Health Authority	169503	536,853	-

**CLACKAMAS COUNTY, OREGON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Assistance Listing Number	Program or Cluster Title	Pass-Through Grantor	Pass-Through Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Pass Through From: Oregon Health Authority	169503	186,061	-
93.324	COVID-19 - State Health Insurance Assistance Program	Pass Through From: Oregon Department of Human Services	170616	29,500	-
93.354	Public Health Emergency Response	Pass Through From: Oregon Health Authority	169503	567,185	79,104
93.434	Every Student Succeeds Act/Preschool Development Grants	Pass Through From: Oregon Department of Education	15249	26,966	-
93.434	Every Student Succeeds Act/Preschool Development Grants	Pass Through From: Oregon Department of Education	15636	77,699	-
	<b>TOTAL Every Student Succeeds Act/Preschool Development Grants - 93.434</b>			<b>104,665</b>	<b>-</b>
93.498	COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution		Direct	1,014,361	-
93.499	Low-Income Household Water Assistance Program	Pass Through From: Oregon Housing and Community Services	MGA #7005	52,044	-
93.499	COVID-19 - Low-Income Household Water Assistance Program	Pass Through From: Oregon Housing and Community Services	MGA #7005	172,959	-
	<b>TOTAL Low-Income Household Water Assistance Program - 93.499</b>			<b>225,003</b>	<b>-</b>
93.526	Grants for Capital Development in Health Centers		Direct	265,194	-
93.526	Grants for Capital Development in Health Centers - Program income		Direct	5,817	-
	<b>Total Grants for Capital Development in Health Centers - 93.526</b>			<b>271,011</b>	<b>-</b>
93.556	MaryLee Allen Promoting Safe and Stable Families Program	Pass Through From: Oregon Department of Education	15249	152,282	87,434
93.556	MaryLee Allen Promoting Safe and Stable Families Program	Pass Through From: Oregon Department of Education	21418	71,092	71,092
	<b>TOTAL MaryLee Allen Promoting Safe and Stable Families Program - 93.556</b>			<b>223,374</b>	<b>158,526</b>
93.558	Temporary Assistance for Needy Families	Pass Through From: Oregon Housing and Community Services	MGA #7005	157,403	-
93.563	Child Support Enforcement	Pass Through From: Oregon Department of Justice	19289	1,285,416	-
93.568	Low-Income Home Energy Assistance	Pass Through From: Oregon Housing and Community Services	MGA #7005	3,230,900	-
93.568	COVID-19 - Low-Income Home Energy Assistance	Pass Through From: Oregon Housing and Community Services	MGA #7005	441,505	-
	<b>TOTAL Low-Income Home Energy Assistance - 93.568</b>			<b>3,672,405</b>	<b>-</b>

**CLACKAMAS COUNTY, OREGON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Assistance Listing Number	Program or Cluster Title	Pass-Through Grantor	Pass-Through Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
93.569	Community Service Block Grant	Pass Through From: Oregon Housing and Community Services	MGA #7005	248,088	-
93.569	COVID-19 - Community Service Block Grant	Pass Through From: Oregon Housing and Community Services	MGA #7005	34,512	-
	<b>TOTAL Community Service Block Grant - 93.569</b>			<b>282,600</b>	<b>-</b>
93.658	Foster Care Title IV-E	Pass Through From: Oregon Department of Human Services	172608	6,415	-
93.667	Social Services Block Grant	Pass Through From: Oregon Department of Education	16427	148,408	140,296
93.788	Opioid STR	Pass Through From: Oregon Health Authority	169503	138,424	-
93.940	HIV Prevention Activities Health Department Based	Pass Through From: Oregon Health Authority	169503	87,056	62,239
93.958	Block Grants for Community Mental Health Services	Pass Through From: Oregon Health Authority	173129	863,008	251,725
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Pass Through From: Oregon Health Authority	155011	183,308	29,240
93.959	COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	Pass Through From: Oregon Health Authority	155011	58,040	-
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Pass Through From: Oregon Health Authority	169503	12,443	-
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Pass Through From: Oregon Health Authority	173129	419,482	419,482
	<b>TOTAL Block Grants for Prevention and Treatment of Substance Abuse - 93.959</b>			<b>673,273</b>	<b>448,722</b>
93.967	Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	Pass Through From: Oregon Health Authority	169503	1,094,616	-
93.994	Maternal and Child Health Services Block Grant to the States	Pass Through From: Oregon Health Sciences University	1015198	80,977	-
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				<b>55,736,709</b>	<b>2,587,662</b>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>					
94.016	Senior Companion Program		Direct	111,560	-
	<b>TOTAL FOSTER GRANDPARENT/SENIOR COMPANION CLUSTER</b>			<b>111,560</b>	<b>-</b>
94.002	Retired and Senior Volunteer Program		Direct	68,673	-
94.017	Senior Demonstration Program		Direct	29,009	-
<b>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>				<b>209,242</b>	<b>-</b>
<b>EXECUTIVE OFFICE OF THE PRESIDENT</b>					
95.007	Research and Data Analysis	Pass Through From: University of Baltimore	G2199ONDCP06A	129,129	-
<b>TOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY</b>				<b>129,129</b>	<b>-</b>

**CLACKAMAS COUNTY, OREGON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Assistance Listing Number	Program or Cluster Title	Pass-Through Grantor	Pass-Through Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>					
97.012	Boating Safety Financial Assistance	Pass Through From: Oregon Marine Board	250-2123CLACKAMASCOUNTY-000	351,528	-
97.024	Emergency Food and Shelter National Board Program	Pass Through From: United Way	EFSP Phase 39 (Odd) FY23	74,808	24,808
97.024	COVID-19 - Emergency Food and Shelter National Board Program	Pass Through From: United Way	EFSP Phase ARPA-R FY23	96,242	96,242
	<b>TOTAL Emergency Food and Shelter National Board Program - 97.024</b>			<b>171,050</b>	<b>121,050</b>
97.036	COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Pass Through From: Oregon Health Authority	170117	599,584	-
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Pass Through From: Oregon Military Department	4599-DR-OR	93,676	-
	<b>TOTAL Disaster Grants - Public Assistance (Presidentially Declared Disasters) - 97.036</b>			<b>693,260</b>	<b>-</b>
97.039	Hazard Mitigation Grant Program (HMGP)	Pass Through From: Oregon Military Department	HMGP-PF-FM-5327-13-F-OR	854	-
97.042	Emergency Management Performance Grants	Pass Through From: Oregon Military Department	22-502	166,327	-
97.046	Fire Management Assistance Grant	Pass Through From: Oregon Department of Forestry	FEMA-FM-5454-OR	21,589	-
97.067	Homeland Security Grant Program (HSGP)	Pass Through From: City of Portland	32002332	17,869	-
97.067	Homeland Security Grant Program (HSGP)	Pass Through From: City of Portland	32002558	229,849	-
97.067	Homeland Security Grant Program (HSGP)	Pass Through From: City of Portland	32002586	40,086	-
97.067	Homeland Security Grant Program (HSGP)	Pass Through From: Oregon Military Department	19-214	12,729	-
97.067	Homeland Security Grant Program (HSGP)	Pass Through From: Oregon Military Department	20-204	8,022	-
97.067	Homeland Security Grant Program (HSGP)	Pass Through From: Oregon Military Department	21-253	7,200	-
	<b>Total Homeland Security Grant Program (HSGP) - 97.067</b>			<b>315,755</b>	<b>-</b>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>				<b>1,720,363</b>	<b>121,050</b>
<b>TOTAL EXPENDITURE OF FEDERAL AWARDS</b>				<b>116,836,226</b>	<b>6,919,765</b>



**CLACKAMAS COUNTY, OREGON  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Schedule of Expenditures of Federal Awards (the Schedule) is presented using the modified accrual basis of accounting, which is described in Note 1 to the basic financial statements of Clackamas County, Oregon (the County). Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) wherein certain types of expenses are not allowable or are limited as to reimbursement. The pass-through entity identifying numbers are presented where applicable.

**2. ELECTION OF DE MINIMIS INDIRECT COST RATE**

During the fiscal year ended, June 30, 2023, the County did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**3. BASIS OF PRESENTATION**

The Schedule presents the activity of all federally-funded programs of the County, except for the Housing Authority of Clackamas County (HACC) and the Workforce Investment Council of Clackamas County, Inc. (dba Clackamas Workforce Partnership), which issue separate reports. The reporting entity is defined in Note 1 to the County's basic financial statements. The information in the Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in financial position, or the cash flows of the County.

**4. REVOLVING LOAN PROGRAMS**

The County makes loans to developers for the construction of low-income housing units. The seed money for these loans used to establish the program initially was provided through Federal funds under the Rural Development Multi-Family Housing Revitalization Demonstration Program (ALN #10.447), Community Development Block Grants/Entitlement Grants (ALN #14.218), HOME Investment Partnerships Program (ALN #14.239), and Neighborhood Stabilization Program (ALN #14.256); The County's responsibility over these loans is to ensure that a specified percentage of the total rental units are rented to low-income individuals, and the ongoing compliance requirements relate to the accumulated loan balances.

The outstanding loan balances as of June 30, 2023, consists of:

<u>ALN</u>	<u>Program Name</u>	<u>Outstanding Balance</u>
10.447	The Rural Development (RD) Multi-Family Housing Revitalization Demonstration Program	\$50,000
14.218	Community Development Block Grants/Entitlement Grants (Direct Federal)	\$4,485,236
14.218	Community Development Block Grants/Entitlement Grants (NSP-1 HERA Passed through OHCS)	\$1,127,938
14.239	Home Investment Partnerships Program	\$19,245,629
14.256	Neighborhood Stabilization Program (Recovery Act Funded) (NSP-2 ARRA Passed through OHCS)	\$428,223

**CLACKAMAS COUNTY, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**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 GAAP:

*Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported
- Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

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

Yes  No

Identification of major federal programs and type of auditor’s report issued on compliance for major federal programs:

<i>Federal Assistance Listing Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for Major Federal Programs</i>
20.205	Highway Planning and Construction	<i>Unmodified</i>
21.023	COVID-19 – Emergency Rental Assistance Program	<i>Unmodified</i>
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	<i>Unmodified</i>
20.224	Federal Lands Access Program	<i>Unmodified</i>
93.224, 93.527	COVID-19 – Health Center Program Cluster	<i>Unmodified</i>

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

\$ 3,000,000

Auditee qualified as low-risk auditee?

Yes  No

**CLACKAMAS COUNTY, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**Section II – Financial Statement Findings**

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**FINDING 2023-001—Significant Deficiency in Internal Control over Financial Reporting –  
Timeliness and Accuracy of Reconciliations for the Housing Authority of Clackamas County**

Criteria – Account reconciliation should be prepared timely and accurately and include all relevant transactions that have occurred. In doing so, general ledger balances would then be accurate and complete and meet the requirements of generally accepted accounting principles (GAAP) by following financial reporting standards of the Governmental Accounting Standards Board (GASB).

Condition – Due to a software conversion, the Housing Authority of Clackamas County (the Authority) prepared reconciliations for audit months later, which required significant edits and multiple versions. In addition, management has not properly updated the financial close and reporting schedule following the software conversion. The delay in the preparation of reconciliations delayed the completion of the County's ACFR preparation as well as the County's audit for which extensions were requested and granted to account for the delay in the Authority's financial reporting process.

Context – The Authority is tasked with submitting unaudited financial statements to the US Department of Housing and Urban Development (HUD) by August 31 and filing the audited financial statements to the State of Oregon by December 31. The HUD deadline was not met, and the State deadline was extended to April 30, 2024. If the reconciliations were prepared in a complete and accurate manner, the State of Oregon extension would not be necessary for the Authority.

Cause – The Authority completed a software conversion in July 2023, which required a lot more time than expected and delayed the reconciliation and financial close process.

Effect – Additional time was needed for Authority staff to complete the reconciliations.

Recommendation – We recommend the Authority update the financial close and reporting schedule to ensure all reconciliation are prepared timely and accurately. We further recommend the County engage with the Authority and verify reconciliations are completed in a timely manner to ensure timely financial reporting.

Views of Responsible Officials – Management agrees with the recommendation.

**CLACKAMAS COUNTY, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Section III – Federal Award Findings and Questioned Costs**

**FINDING 2023-002 – Reporting – Significant Deficiency in Internal Controls over Compliance**

Federal Assistance Listing Numbers	Federal Agency/Pass-through Entity - Program Name	Award Number	Award year	Questioned Costs
93.224, 93.527	COVID-19 – Health Center Program Cluster	N/A	2023	None Reported

Criteria or specific requirement: As a condition of the award, the County is required to submit a Federal Financial Report (FFR) annually.

Condition: During our testing, we were provided with documentation that indicated the County did not file FFR by the due date specified in the award document.

Context: Of the 5 reports available for testing, we randomly selected three FFRs filed during fiscal year 2023 noting all were filed untimely.

Effect: The reports were not filed by the due date specified in the award document.

Cause: The County does not have an effective control in place to monitor reporting timelines.

Repeat finding: No.

Recommendation: We recommend the County work to establish an internal tracking system to memorialize reporting deadlines and track the submission of required reports under the program.

Views of responsible officials: Management agrees with the finding and auditor recommendation.

May 16, 2024

In accordance with OMB Uniform Guidance, we have provided below Clackamas County's response and corrective action plan addressing the finding in the "Report of Independent Auditors 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*" for the fiscal year that ended June 30, 2023.

**Finding 2023-001: Reporting – Significant Deficiency in Internal Control over Financial Reporting – Timeliness and Accuracy of Reconciliations for the Housing Authority of Clackamas County**

Management agrees with the finding and the auditor's recommendation.

**Contact Person responsible for corrective action:**

Patrick Williams  
Deputy Finance Director  
pwilliams@clackamas.us  
971-325-5392

**Corrective Action Planned:**

Procedures will be incorporated into the County workflow to provide additional monitoring and oversight of the financial close and reporting schedule for the Housing Authority of Clackamas County. These will include:

- Regular meetings with Authority management and staff to communicate status updates on implementation of new ERP and reconciliations.
- Verification and review of Authority's reconciliations.
- Communicate County audit deadlines and requests to enhance collaboration between the Authority and the County in the preparation of the Annual Comprehensive Financial Report.

**Anticipated Completion Date:**

Corrective action plan will be implemented immediately, and progress will be ongoing.

**Finding 2023-002: Reporting – Significant Deficiency in Internal Control over Compliance**

Management agrees with the finding and the auditor's recommendation.

**Contact Person responsible for corrective action:**

Patrick Williams  
Deputy Finance Director  
pwilliams@clackamas.us  
971-325-5392

**Corrective Action Planned:**

Procedures will be incorporated into the County workflow to provide additional monitoring, oversight, and record retention related to reporting. These will include:



- Compiling a comprehensive inventory of grants and reporting deadlines, including for reporting submitted by departments.
- Timely monitoring for the status of reporting and tracking of extensions.
- Obtain copies of all grant reports and documentation of extensions
- Report status of pending and/or delinquent reports due to funding sources at quarterly Finance/Performance Clackamas Check-in meetings with the Health, Housing & Human Services Director's Office.

**Anticipated Completion Date:**

September 30th, 2024

Sincerely,



Elizabeth Comfort  
Finance Director



**Summary Schedule of Prior Audit Findings for the Fiscal Year Ended June 30, 2022**

**Federal Award Findings and Questioned Costs**

**Finding 2022-001 – Reporting – Significant Deficiency in Internal Controls over Compliance**

**Federal Agency:** Department of Treasury

**Federal Program:** 21.023, COVID-19 – Emergency Rental Assistance Program

**Condition:** We were unable to obtain evidence supporting the timely submission of monthly special reporting required under the program. This issue did not extend to the quarterly reporting required under the program.

**Recommendation:** We recommend the County work to establish an internal tracking system to memorialize reporting deadlines and track the submission of required reports under the program. Such a system should include a control ensuring evidence of granted extensions for reports are documented and maintained for an appropriate period.

**Status of Finding:** Previously reported corrective action implemented. Resolved.