

MEMORANDUM

TO: Clackamas County Board of County Commissioners

FROM: Rodney A. Cook, H3S Director

DATE: May 21, 2024

SUBJECT: Audit Finding 2023-002

REQUEST: The Health, Housing and Human Services Department of Clackamas County is informing the Board of County Commissioners of an audit finding in Clackamas County's Fiscal Year 2022-2023 audit that was completed by Moss Adams, LLP. Staff would like the Board to approve a plan of corrective action to address the findings.

BACKGROUND: 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. Please find our response and propose corrective action plan below.

Response to Audit Finding 2023-002:

- **Identification of Root Causes:** Our analysis of the root cause indicates the delay in submission was due to the lack of comprehensive inventory of grants and reporting deadlines. Data and reconciliation is not a contributing factor as Health Centers pulls timely and accurate data and reconciles all grants monthly. Grant reconciliations are reviewed with program managers regularly.
- **Impact Assessment:** We recognize that not meeting reporting requirements can have negative effects on current and future funding opportunities such as a loss of funding. It is important that we address these issues promptly to avoid any negative outcomes.

Corrective Action Plan:

- Compiling a comprehensive inventory of grants and reporting deadlines
- Timely monitoring for the status of reporting and tracking of extensions

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- 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.

Respectfully submitted,

Rodney A. Cook

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Director, Health, Housing & Human Services