

CITY OF BALTIMORE, MARYLAND

**Single Audit Together with
Reports of Independent Public Accountants**

For the Year Ended June 30, 2020

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JUNE 30, 2020

CONTENTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1
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REPORT OF INDEPENDENT PUBLIC ACCOUNTANS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROLS OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE	6
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Schedule of Expenditures of Federal Awards	10
--------------------------------------------	----

Notes to the Schedule of Expenditures of Federal Awards	16
---------------------------------------------------------	----

Schedule of Findings and Questioned Costs:	32
--------------------------------------------	----

Section I	Summary of Independent Public Accountants' Results	37
Section II	Financial Statement Findings	39
Section III	Federal Awards Findings and Questioned Costs	51
Section IV	Summary Schedule of Prior Year Finding	122
Section V	Corrective Action Plans	169

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CITY OF
BALTIMORE
Brandon Scott

Mayor
DEPARTMENT OF AUDITS
Room 321, City Hall
Baltimore, Maryland 21202

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Honorable Brandon M. Scott, Mayor,
the Board of Estimates and the Members of the City Council
City of Baltimore
Baltimore, Maryland

Report on the Financial Statements

We have jointly audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, the combining statement of fiduciary net position- Pension and OPEB Trust Funds, and the combining statement of changes in fiduciary net position- Pension and OPEB Trust Funds of the City of Baltimore, Maryland (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Employees' Retirement System, the Elected Officials Retirement System, and the Fire and Police Employees' Retirement System. These funds represent 87% of the total assets, 87% of the net position, and 62% of the revenues of the Pension and OPEB Trust Funds. We also did not audit the Baltimore City Public School System (School System) and Baltimore Hotel Corporation, which are both discretely presented component units. The financial statements of Baltimore City Public School System, Baltimore Hotel Corporation and certain of the Pension and OPEB Trust Funds were audited by other auditors whose reports have been furnished to us. Our opinions, insofar as they relate to the amounts included for the Baltimore City Public School System, Baltimore Hotel Corporation and certain Pension and OPEB Trust Funds are based on the reports of the other auditors except for the matter discussed in "Other Matters" below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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BALTIMORE
Brandon Scott**

Mayor
DEPARTMENT OF AUDITS
Room 321, City Hall
Baltimore, Maryland 21202

The City Auditor did not have an external peer review by an unaffiliated audit organization as required by Chapter 3 of Government Auditing Standards at least once every three years. The last external peer review was for the period ended December 31, 2011. The City Auditor is in the process of engaging an unaffiliated audit organization to conduct an external peer review for the three-year period ending June 30, 2019.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, the combining statement of fiduciary net position-Pension and OPEB Trust Funds, and the combining statement of changes in fiduciary net position-Pension and OPEB Trust Funds of the City, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



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Mayor
**ARTMENT OF AUDITS
Room 321, City Hall
Baltimore, Maryland 21202**

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Revenues, Expenditures and Encumbrances, and Changes in Fund Balance – Budget and Actual- Budgetary Basis – General Fund, Schedule of the City's Proportionate Share of Net Pension Liability: Employees' Retirement System Plan, Schedule of Employer Contributions: Employees Retirement System Plan, Schedule of the City's Proportionate Share of Net Pension Liability: Maryland State Retirement and Pension System– ERPS, Schedule of Employer Contributions: Maryland State Retirement and Pension System-ERPS, Schedule of the City's Proportionate Share of Net Pension Liability: Maryland State Retirement and Pension System – LEOPS, Schedule of Employer Contributions: Maryland State Retirement and Pension System – LEOPS, Schedule of Changes in Net Pension Liability (Assets) and Related Ratios: Fire and Police Employees' Retirement System - Single Employer Plan, Schedule of Changes in Net Pension Liability (Assets) and Related Ratios: Elected Officials' Retirement System - Single Employer Plan; Schedule of Employer Contributions – Single Employer Plans, Schedule of Changes in the Net OPEB Liabilities and Related Ratios – OPEB Plan; Schedule of the City's Proportionate Share of Net OPEB Liability, Schedule of Employer Contributions – Total OPEB Plan; and Notes to the Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements, the introductory and statistical sections, and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.



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 Brandon Scott

Mayor
 DEPARTMENT OF AUDITS
 Room 321, City Hall
 Baltimore, Maryland 21202

The combining and individual fund financial statements and the Schedule of Expenditures of Federal Awards are 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 combining and individual fund financial statements and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2020 on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

SB & Company, LLC

December 30, 2020

SB & Company, LLC
 Independent Public Accountants
 Owings Mills, Maryland

Josh Pasch

Josh Pasch, CPA
 City Auditor
 City of Baltimore, Maryland

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**REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***



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*

To the Honorable Brandon M. Scott, Mayor,
the Board of Estimates and the Members of the City Council
City of Baltimore
Baltimore, Maryland

Report on the Financial Statements

We have jointly 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Baltimore, Maryland (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 28, 2020. Our report includes references to other auditors who audited the financial statements of the Employees’ Retirement System, the Elected Officials Retirement System, the Fire and Police Retirement System, Baltimore City Public Schools System, and Baltimore Hotel Corporation, as described in our report on the City’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.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) 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 City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph 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 have not been identified.

We did identify certain deficiencies, as described in the accompanying schedule of findings and questioned costs, which we consider to be material weaknesses as items 2020-001, 2020-002, 2020-003, 2020-004, 2020-005, 2020-006, 2020-007 and 2020-008.



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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City’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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City’s Response to Findings

The City’s response to the findings identified in our audit is described in the accompanying Schedule of Corrective Actions Plans. The City’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 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.

SB & Company, LLC

December 30, 2020

SB & Company, LLC
Independent Public Accountants
Owings Mills, Maryland

Josh Pasch

Josh Pasch, CPA
City Auditor
City of Baltimore, Maryland

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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROLS OVER
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**



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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROLS OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Honorable Brandon M. Scott, Mayor,
the Board of Estimates and the Members of the City Council
City of Baltimore
Baltimore, Maryland

Report on Compliance for Each Major Federal Program

We have audited the City of Baltimore, Maryland's (the City) 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 City's major Federal programs for the year ended June 30, 2020. The City's major Federal programs are identified in the summary of independent public accountant's results section of the accompanying Schedule of Findings and Questioned Costs.

The City's basic financial statements include the operations of the Baltimore City Public Schools System, which received Federal awards that are not included in the accompanying Schedule of Expenditures of Federal Awards. Our audit, described below, did not include the operations of this entity because auditors were engaged to perform a separate audit in accordance with the Uniform Guidance.

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 the City'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 (CFR) 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 the City'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 City’s compliance.

Basis for Qualified Opinion on the Housing Opportunities for People with AIDS, Coronavirus Relief Fund (CARES), Aging Cluster, Children’s Health Insurance Program, Medical Assistance Program, HIV Emergency Relief Project Grants, HIV Prevention Activities, and Maternal and Child Health Services Block Grant to the States

As described in the accompanying Schedule of Findings and Questioned Costs, the City did not comply with requirements regarding:

<u>AL No.</u>	<u>Program Name</u>	<u>Finding No.</u>	<u>Basis for Qualified Opinion</u>
14.241	Housing Opportunities for Persons with AIDS	2020-013	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles
		2020-014	Material Weakness in Compliance and Internal Control over Eligibility
		2020-015	Material Weakness over Subrecipient Monitoring
		2020-016	Material Weakness over Special Tests and Provisions - Housing Quality Standards
21.019	Coronavirus Relief Fund	2020-018	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principle (Payroll)
		2020-019	Material Weakness over Subrecipient Monitoring
93.044	Aging Cluster	2020-022	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principle (Payroll)
93.767	Children's Health Insurance Program	2020-023	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principle (Payroll)
93.778	Medical Assistance Program	2020-024	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles
		2020-025	Material Weakness over Eligibility
		2020-026	Material Weakness over Period of Performance
		2020-027	Material Weakness over Reporting
93.914	HIV Emergency Relief Project Grants	2020-028	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Payroll)
		2020-029	Material Weakness over Cash Management
		2020-030	Material Weakness over Eligibility
		2020-031	Material Weakness over Subrecipient Monitoring
93.940	HIV Prevention Activities	2020-032	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principle (Payroll)
		2020-033	Material Weakness over Cash Management
		2020-035	Material Weakness over Procurement and Suspension and Debarment
		2020-036	Material Weakness over Reporting
		2020-037	Material Weakness over Subrecipient Monitoring
93.994	Maternal and Child Health Services Block Grant to the States	2020-038	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principle
		2020-039	Material Weakness over Cash Management
		2020-041	Material Weakness over Reporting

Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.



Qualified Opinion on the Housing Opportunities for People with AIDS, Coronavirus Relief Fund, Aging Cluster, Children’s Health Insurance Program, Medical Assistance Program, HIV Emergency Relief Project Grants, HIV Prevention Activities, and Maternal and Child Health Services Block Grant to the States

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Housing Opportunities for People with AIDS, Coronavirus Relief Fund, Aging Cluster, Children’s Health Insurance Program, Medical Assistance Program, HIV Emergency Relief Project Grants, HIV Prevention Activities, and Maternal and Child Health Services Block Grant to the States for the year ended June 30, 2020.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City 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 June 30, 2020.

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 2020-008 through 2020-012, 2020-017, 2020-021, 2020-22, 2020-034, and 2020-040. Our opinion on each major Federal program is not modified with respect to these matters.

The City’s responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Corrective Action Plans. The City’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 the City is responsible for establishing and maintaining effective internal controls over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal controls 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 controls over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal controls over compliance. Accordingly, we do not express an opinion on the effectiveness of City's internal controls over compliance.

Our consideration of internal controls over compliance was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal controls over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we have identified certain deficiencies in internal controls over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal controls 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 controls over compliance* is a deficiency, or combination of deficiencies, in internal controls 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. We consider the deficiencies in internal controls over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 through 2020-0011, 2020-013 through 2020-033, 2020-035 through 2020-039, and 2020-041, to be material weaknesses.

A significant deficiency in internal controls over compliance is a deficiency, or a combination of deficiencies, in internal controls over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal controls over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal controls over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2020-012, 2020-034, and 2020-040, to be significant deficiencies.

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



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The purpose of this report on internal controls over compliance is solely to describe the scope of our testing of internal controls 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.

SB & Company, LLC

April 30, 2020

SB & Company, LLC
Independent Public Accountants
Owings Mills, Maryland

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

CITY OF BALTIMORE

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE (DOA)</u>				
Special Supplemental Nutrition Program for Women, Infants, and Children				
Pass-Through Maryland Department of Health and Mental Hygiene				
Women, Infants and Children Food Program (WIC)	10.557	WI 213 WIC	\$ -	\$ 2,038,077
Total Special Supplemental Nutrition Program for Women, Infants, and Children			-	2,038,077
Pass-Through Maryland State Department of Education				
Child Nutrition Cluster				
Summer Food Service Program for Children				
Summer Food Service Program for Children 2018	10.559	347041	-	5,084,472
Total Summer Food Service Program for Children			-	5,084,472
Total Child Nutrition Cluster				5,084,472
TOTAL U.S. DEPARTMENT OF AGRICULTURE (DOA)			-	7,122,549
<u>U.S. DEPARTMENT OF COMMERCE (DOC)</u>				
Minority Business Resource Development				
Baltimore MIHUB Initiative Baltimore Manufacturing Innovation HUB Project	11.802	N/A		113,357
Minority Business Development Agency (MBDA) AMP Center Grant	11.802	N/A	-	278,589
TOTAL U.S. DEPARTMENT OF COMMERCE (DOC)			-	391,946
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</u>				
Community Development Block Grants/Entitlement Grants				
CDBG-35	14.218	N/A	-	13,616
CDBG-36	14.218	N/A	-	1,354
CDBG-38	14.218	N/A	-	26,104
CDBG-39	14.218	N/A	-	498
CDBG-40	14.218	N/A	-	(4,229)
CDBG-41	14.218	N/A	-	91,944
CDBG-42	14.218	N/A	-	1,378,594
CDBG-43	14.218	N/A	-	203,669
CDBG-44	14.218	N/A	3,386,287	3,386,287
CDBG-45	14.218	N/A	2,259,357	12,370,128
Total Community Development Block Grants/Entitlement Grants			5,645,644	17,467,967
Total CDBG - Entitlement Grants Cluster				
Emergency Solutions Grant - Homeless Services				
Emergency Solutions Grant - Homeless Services	14.231	N/A	1,738,586	1,755,105
Total Emergency Solutions Grant - Homeless Services			1,738,586	1,755,105

CITY OF BALTIMORE

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) (continued)				
Home Investment Partnerships Program				
HOME Program - L on Liberty Apartments	14.239	N/A	\$ -	\$ 618,820
HOME Program - St. Ambros	14.239	N/A	-	591,594
Healthy Neighborhoods	14.239	N/A	-	14,201
Home Preservation Program	14.239	N/A	-	58,553
HOME Program FY2018	14.239	N/A	-	391,927
HOME Program	14.239	N/A	1,168,125	1,168,125
Total Home Investment Partnerships Program			1,168,125	2,843,220
Lead Hazard Reduction Demonstration Grant Program				
FY2018 HUD Lead Program	14.239	N/A	-	231,099
Multifamily Property Disposition				
Uplands-Homeownership I-II - Construction Program - Multifamily Property Disposition	14.199	N/A	-	69,910
Total Multifamily Property Disposition			-	69,910
Total Lead Hazard Reduction Demonstration Grant Program				
			-	231,099
Housing Opportunity for Persons with AIDS				
Housing Opportunity for Persons with AIDS (HOPWA)	14.241	N/A	3,170,103	8,047,761
Total Housing Opportunity for Persons with AIDS			3,170,103	8,047,761
Continuum of Care				
Continuum of Care - FY2017	14.267	N/A	12,204,078	13,950,611
Continuum of Care	14.267	N/A	-	73,226
Continuum of Care - FY2018	14.267	N/A	4,640,162	4,640,162
Total Continuum of Care			16,844,240	18,663,999
Jobs-Plus Pilot Initiative				
HABC - Gilmore Homes	14.895	N/A	-	41,608
Lead-Based Paint Hazard Control in Privately-Owned Housing				
Lead Based Paint Hazard Reduction	14.900	N/A	-	49,220
Lead Hazard Reduction Demonstration Grant Program				
EmPOWER - MEET Energy Efficiency Tune-up	14.905	N/A	-	23,686
Pass-Through Maryland State Department of Education				
EmPOWER Energy Efficiency Program	14.905	N/A	-	1,556
Total Lead Hazard Reduction Demonstration Grant Program			-	25,242
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)			28,566,698	49,195,131
U.S. DEPARTMENT OF JUSTICE (DOJ)				
Justice Systems Response to Families				
Visitation Center Continuation	16.021	N/A	-	195,279
Community-Based Violence Prevention Program				
Vision 21	16.582	N/A	-	134,148
Supporting Male Survivors of Violence (SMSV)	16.582	N/A	39,122	142,296
Total Community-Based Violence Prevention Program			39,122	276,444
Community-Based Violence Prevention Program				
Hospital Responders	16.123	N/A	-	74,469
Total Community-Based Violence Prevention Program			-	74,469

CITY OF BALTIMORE

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF JUSTICE (DOJ) (continued)				
DNA Backlog Reduction Program				
DNA Backlog Reduction Program	16.741	N/A	\$ -	\$ 121,388
CEBR National Institute of Justice	16.741	N/A	-	161,048
Total DNA Backlog Reduction Program			-	282,436
Baltimore City Wrongful Conviction Review Program				
Baltimore City Wrongful Conviction Review Program	16.746	N/A	-	55,923
Community Oriented Policing Services				
COPS Hiring	16.710	N/A	-	33,873
Smart Supervision: Reducing Prison Populations, Saving Money, and Creating Safer Communities				
FY17 Smart Supervision: Reducing Prison Populations, Saving Money, and Creating Safer Communities	16.812	N/A	87,979	224,313
Smart Prosecution Initiative				
Pre-trial Evidenced-Based Risk and Needs Assessment FY2016	16.825	N/A	-	12,000
Edward Byrne Memorial Justice Assistance Grant				
Coverdell Forensic Enhancements 2017	16.738	N/A	-	23,763
Justice Assistance Grant (JAG XI)	16.738	N/A	-	110,207
Justice Assistance Grant (JAG XII)	16.738	N/A	323,230	335,740
Justice Assistance Grant (JAG XIII)	16.738	N/A	-	402,680
Justice Assistance Grant (JAG XIV)	16.738	N/A	-	88,696
Pass-Through Maryland Governor's Office of Crime Control and Prevention				
Public Trust/Police Integrity-LETS	16.738	BJAG-2016-0040	-	2,893
Law Enforcement Assisted Diversion	16.738	BJAG-2015-0011	-	15,826
Irecord	16.738	BJAG-2016-0035	-	18,897
Reducing Violent Crime	16.738	BJAG-2015-0036	-	20,248
Youth and Trauma Services	16.738	BJAG-2015-0038	-	112,776
WATF-HYPE	16.738	BJAG-2016-0017	-	1,372
Total Edward Byrne Memorial Justice Assistance Grant			323,231	1,133,099
Juvenile Justice and Delinquency Prevention				
Pre-Adjudication Coordination and Training (PACT) Evening Reporting Center	16.540	2018-JF-FX-0001	-	9,054
Part E - Developing, Testing and Demonstrating Promising New Programs				
Pass-Through Baltimore City Public School System				
BCPSS - Alternative High School FY2018	16.541	Unknown	-	121,534
Total Developing, Testing and Demonstrating Promising New Programs			-	121,534

CITY OF BALTIMORE

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF JUSTICE (DOJ) (continued)				
DNA Backlog Reduction Program				
DNA Backlog Reduction Program	16.741	N/A	\$ -	\$ 121,388
CEBR National Institute of Justice	16.741	N/A	-	161,048
Total DNA Backlog Reduction Program			-	282,436
Baltimore City Wrongful Conviction Review Program				
Baltimore City Wrongful Conviction Review Program	16.746	N/A	-	55,923
Community Oriented Policing Services				
COPS Hiring	16.710	N/A	-	33,873
Smart Supervision: Reducing Prison Populations, Saving Money, and Creating Safer Communities				
FY17 Smart Supervision: Reducing Prison Populations, Saving Money, and Creating Safer Communities	16.812	N/A	87,979	224,313
Smart Prosecution Initiative				
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Edward Byrne Memorial Justice Assistance Grant				
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Pass-Through Baltimore City Public School System				
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Total Developing, Testing and Demonstrating Promising New Programs			-	121,534

CITY OF BALTIMORE

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF JUSTICE (DOJ) (continued)				
Crime Victim Assistance				
Pass-Through Maryland Governor's Office of Crime Control and Prevention				
Victim Witness Unit	16.575	Unknown	\$ -	\$ 1,823,230
Homicide Victim Advocate	16.575	VOCA-2015-0001	-	(9,006)
Expanding Services To Victims Of Crimes With Disabilities	16.575	VOCA-2015-0071	-	(580)
Baltimore City SART and Human Trafficking - VOCA	16.575	Unknown	35,829	146,849
SART and Human Trafficking - VOCA	16.575	VOCA-2015-0035	292,598	927,575
SART and Human Trafficking - VOCA	16.575	VOCA-2016-0035	-	(58,751)
Total Crime Victim Assistance			328,427	2,829,317
Pass-Through Maryland Governor's Office of Crime Control and Prevention				
Violence Against Women Formula Grants				
Sexual Assault	16.588	VAWA 2017-0003	-	27,277
VAWA - Domestic Violence Victim/Witness Liaison Program	16.588	Unknown	-	(45,546)
VAWA -- Victim/Witness Liaisons	16.588	Unknown	-	70,927
Total Violence Against Women Formula Grants			-	52,658
Project Safe Neighborhoods				
Project Safe Neighborhoods	16.609	PSNM-2016-0002	-	47,585
Project Safe Neighborhoods	16.609	PSNM-2016-0001	-	125,256
Total Project Safe Neighborhoods			-	172,841
Edward Byrne Memorial Justice Assistance Grant Program				
Domestic Violence	16.590	ICJR-2016-0001	-	(6,031)
Juvenile Accountability Block Grants				
Pass-Through Maryland State Department of Juvenile Services				
Department of Juvenile Services - Pre-Adjudication Coordination and Training	16.523	15-IG-011/V00P6400179	-	333,727
Total Juvenile Accountability Block Grants			-	333,727
TOTAL U.S. DEPARTMENT OF JUSTICE (DOJ)			778,759	5,800,936

CITY OF BALTIMORE

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. DEPARTMENT OF LABOR (DOL)</u>				
Pass-Through Maryland Department of Labor, Licensing and Regulation				
WIOA Dislocated Worker National Reserve				
Demonstration Grants				
Opioid National Health Emergency Grant	17.280	P00P94-BCI-NHE	\$ 42,887	\$ 77,761
Workforce Innovation Fund				
Family Health International (FHI-360)				
Youth Works	17.270	Unknown	-	201,141
<i>WIOA Cluster</i>				
WIOA - Adult Program				
WIOA - Adult Program	17.258	Unknown	-	(74,491)
WIOA - Adult Program	17.258	P00P94BCIPY18A / P00P94-BCI-FY19-A	113,887	2,197,705
Total WIOA - Adult Program			113,887	2,123,214
Program Cost Pool				
Program Cost Pool	17.588			
WIOA - Youth Activities				
WIOA - Youth Activities	17.259	P00P94-BCI-PY18-Y	467,510	2,156,826
WIOA - Dislocated Worker Formula Grants				
WIOA - Dislocated Worker Formula Grants	17.278	P00P94-BCI-PY18-D / P00P94-BCI-FY19-D	14,535	1,006,921
WIOA Career Pathway Grant	17.278	Unknown	-	50,394
Total WIOA - Dislocated Worker Formula Grants			14,535	1,057,315
<i>Total WIOA Cluster</i>			595,932	5,337,355
TOTAL U.S. DEPARTMENT OF LABOR (DOL)			638,819	5,616,257
<u>U.S. DEPARTMENT OF TRANSPORTATION (DOT)</u>				
<i>Federal Transit Cluster</i>				
Federal Transit Formula Grants				
Baltimore City Tour Bus Facility (FTA Grant)	20.507	N/A	-	2,689
Electric Ferry Boat	20.507	N/A	-	2,599
<i>Total Federal Transit Formula Grants</i>			-	5,288
<i>Total Federal Transit Cluster</i>			-	5,288
<i>Highway Safety Cluster</i>				
State and Community Highway Safety				
Pass-Through Maryland State Department of Transportation				
Traffic Safety - SHA	20.600	Unknown	-	(25,189)
Highway Traffic Safety Grant FY18	20.600	Unknown	-	34,198
Total State and Community Highway Safety			-	9,009

CITY OF BALTIMORE

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION (DOT) (continued)				
Pass-Through Maryland Department of Labor, Licensing and Regulation DLLR - Highway/Capital Transit Construction Skills	20.609	Unknown	\$ -	\$ 10,890
<i>Total Highway Safety Cluster</i>			-	19,899
<i>Highway Planning and Construction Cluster</i>				
Highway Planning and Construction				
Pass-Through Maryland State Department of Transportation				
Annapolis Road Bridge	20.205	BC269-060-815	-	6,807,901
Belair Road Complete Sts #1123	20.205	410015	-	604,039
Belair Rd II & Erdman TR19301	20.205	BC 420014	-	46,118
Bike Network Proj-Design	20.205	Unknown	-	46,652
Broening Hwy Bridge over Colgate Creek & Associated Roadway Improvements	20.205	BC450006	-	2,946,259
Central Ave. Phase 2	20.205	BC315-075-815	-	5,411,889
Charles Street at Friends School	20.205	BC410023	-	30,351
Clinton Street Concrete Pavement Rehabilitation Boston - Keith Ave	20.205	BC410020	-	16,650
D.O.T. Park Circle Intersection	20.205	BC319-012-815	-	670,952
Downtown Bicycle Network TR13321	20.205	AX2615225	-	136,596
Druid Hill Park	20.205	BC315-067-815	-	140,985
East Baltimore Life Science Pk - 2A	20.205	BC440002	-	990
Edison Hwy over Amtrak Bridge Rehab	20.205	269-087-815	-	1,552,811
Edmondson Ave. Bridge over CSX	20.205	BC269-066-815	-	5,161,020
Field Investigation for Geometrics, Signals and Utilities;CCTV Sites & Fiber Commun.;Traffic Signal Systemization	20.205	BC 319-017-815, BC 319-018-815 & BC 319-022-815	-	24,256
Fulton Avenue Bridge TR12310	20.205	420005	-	1,990
Frederick Ave - S. Beechfield (Emergency Repair)	20.205	Unknown	-	1,844,558
Geometric Safety/Sig TR18301	20.205	BC410025	-	34,016
Geometric Safety Improvements - Phase II at Corse Ave & Frankford Ave and at Hamilton Ave & Frankford Ave	20.205	BC410021	-	8,230
Greenmount 29th - 43rd TR14302	20.205	420002	-	9,587
Hanover Street Bridge	20.205	450002	-	48,079
Hanover St Bridge over Middle Branch	20.205	BC269-073-815	-	590,006
Harford Road Bridge over Herring Run	20.205	BC269-067-815	-	6,613,369
Hawkins Point Road Bridge/ Pennington Ave Empowerment, PE	20.205	BC269-059-815	-	6,118
I-83 Phase II TR13301	20.205	420006	-	155,424
Inner Harbor Water Taxi Terminal	20.205	BC440005	-	354,865
Jones Falls Trail - Phase V	20.205	BC460001	-	1,853,108
Jones Falls Greenway Phase V	20.205	BC460001	-	109,643

CITY OF BALTIMORE

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION (DOT) (continued)				
Highway Planning and Construction (continued)				
Highway Planning and Construction				
Pass-Through Maryland State Department of Transportation				
Key Highway Street Improvement	20.205	BC319-015-815	\$ -	\$ 2,871,653
Midtown Streetscape - Mt. Royal Avenue Improvements	20.205	BC315-101-815	-	593,558
MLK Blvd at Howard St Intersection Widening/Imprvmt	20.205	BC315-112-815/322-002-815	-	4,741
New E Balto Comm-1DB TR08313	20.205	BC440004	-	32,135
Patapsco/Magnolia TR19307	20.205	BC420016	-	12,661
Perring Pkwy Off-Ramp Bridge Repl	20.205	450003	-	39,288
Preston Gardens Infrastructure TR12308	20.205	AX09135125	-	70
Reconst East North Avenue from Aisquith St. to Wolf St.	20.205	BC315-079-815	-	3,561
Remington Ave Bridge/Stoney Run	20.205	450004	-	159,899
Replac. Annapolis Rd over Balt/Wash Pkwy (MD 295)	20.205	BC269-077-815	-	3,551
Resurfacing Franklin Street	20.205	BC420008	-	1,529,672
Resurfacing Southwest - Sector III TR 13306	20.205	410003	-	1,211
Russell Street & Monroe Street Ramp to Russell Street over CSXT	20.205	BC269-084-815	-	7,218
Safe Routes to School Infrastructure Projects	20.205	AX933B52	-	119,490
Safe Route G	20.205	BC410022	-	2,785
Sisson Street over CSX	20.205	269-086-815	-	6,631
Traffic Safety Project	20.205	410013	-	25,150
Traffic Safety Improvements Citywide	20.205	Unknown	-	31,267
Traffic Signals & ITS & Traffic Engineering-Task 12	20.205	BC410022	-	11,770
Variable Message Signs	20.205	BC 319-007-815	-	27,971
West North Ave at Pennsylvania Ave	20.205	Unknown	-	821,105
Wilkens Ave. Bridge over Gwynns Falls	20.205	BC269-071-815	-	13,184
Total Highway Planning and Construction			-	41,545,033
<i>Total Highway Planning and Construction Cluster</i>			-	41,545,033

CITY OF BALTIMORE

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION (DOT) (continued)</u>				
Interagency Hazardous Materials Public Sector Training and Planning Grants				
Pass-Through Maryland Emergency Management Agency Hazardous Materials Emergency Preparedness	20.703	Unknown	\$ -	\$ 15,353
TOTAL U.S. DEPARTMENT OF TRANSPORTATION (DOT)			<u>-</u>	<u>41,585,573</u>
<u>U.S. DEPARTMENT OF THE TREASURY</u>				
Coronavirus Relief Fund				
Coronavirus Relief Fund (CARES)	21.019	N/A	-	14,705,771
TOTAL U.S. DEPARTMENT OF THE TREASURY			<u>-</u>	<u>14,705,771</u>
<u>ENVIRONMENTAL PROTECTION AGENCY (EPA)</u>				
Pass-Through Maryland State Department of the Environment				
<i>Clean Water State Revolving Fund Cluster</i>				
Capitalization Grants for Clean Water State Revolving Funds				
Various Sewershed Improvements	66.458	Unknown	-	3,550,778
<i>Total Clean Water State Revolving Fund Cluster</i>				3,550,778
<i>Drinking Water State Revolving Fund Cluster</i>				
Capitalization Grants for Drinking Water State Revolving Funds				
Drinking Water Program - Druid Lake Water Tanks	66.468	Unknown	-	791,500
<i>Total Drinking Water State Revolving Fund Cluster</i>				791,500
Brownfields Assessment and Cleanup Cooperative Agreements				
Brownfields Assessment Community-Wide	66.818	N/A	-	11,450
TOTAL ENVIRONMENTAL PROTECTION AGENCY (EPA)			<u>-</u>	<u>4,353,728</u>
<u>U.S. DEPARTMENT OF ENERGY (DOE)</u>				
Weatherization Assistance for Low-Income Persons				
Pass-Through Maryland State Department of Housing and Community Development DOE Weatherization	81.042	R340649	-	108,441
TOTAL U.S. DEPARTMENT OF ENERGY (DOE)			<u>-</u>	<u>108,441</u>
<u>U.S. DEPARTMENT OF EDUCATION (ED)</u>				
<i>Special Education Cluster (IDEA)</i>				
Special Education Grants to States				
Pass-Through Maryland State Department of Education Special Education Grants for Infants and Families	84.181	Unknown	659,733	1,878,302
<i>Total Special Education Cluster (IDEA)</i>			659,733	1,878,302
TOTAL U.S. DEPARTMENT OF EDUCATION (ED)			<u>659,733</u>	<u>1,878,302</u>
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES (IMLS)</u>				
Grants to States				
Pass-Through Maryland State Department of Education Ask Us Now - MD Ask Us Now	45.310	Unknown	-	98,469
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES (IMLS)			<u>-</u>	<u>98,469</u>

CITY OF BALTIMORE

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs				
Tuberculosis Elimination and Laboratory	93.116	N/A	\$ 152,801	\$ 152,801
Total Project Grants and Cooperative Agreements for Tuberculosis Control Programs			152,801	152,801
Reservoir Hill Improvement				
Accountable Health Communities	93.650	N/A	542,544	747,499
Injury Prevention and Control Research and State and Community Based Programs				
Preventing Teen Dating and Youth Violence	93.136	N/A	112,298	293,043
Total Injury Prevention and Control Research and State and Community Based Programs			112,298	293,043
Substance Abuse and Mental Health Services_ Projects of Regional and National Significance				
ReCAST W Balto Empower Comm-Maternal and Child Health-HCAM	93.243	N/A	668,985	826,969
Teenage Pregnancy Prevention Program				
U-Choose Evidence Based Teen Pregnancy Prevention	93.297	N/A	1,421,575	1,846,547
Total Teenage Pregnancy Prevention Program			1,421,575	1,846,547
Head Start				
CAA Children's Services - Head Start FY2018	93.600	N/A	6,699,947	7,539,747
Total Head Start			6,699,947	7,539,747
HIV Emergency Relief Project Grants				
Ryan White II - A - Minority AIDS	93.914	N/A	12,366,699	14,024,137
Total HIV Emergency Relief Project Grants			12,366,699	14,024,137
HIV Prevention Activities_Health Department Based				
Comprehensive HIV Prevention Project	93.940	N/A	-	24,236
Comprehensive HIV Prevention Project	93.940	N/A	3,786,070	5,354,131
Partnership for Care	93.940	N/A	-	204
HIV Infections for MSM and Transgender	93.940	N/A	-	22,652
HIV Infections for MSM and Transgender	93.940	N/A	-	222,958
HIV Infections for MSM of Color	93.940	N/A	841,185	964,056
Total HIV Prevention Activities_Health Department Based			4,627,254	6,588,236
Preventive Health Services_Sexually Transmitted Diseases Control Grants				
Sexually Transmitted Disease Control Program	93.977	N/A	978,101	1,958,559
Sexually Transmitted Disease Surveillance Network	93.977	N/A	308,093	330,760
Pass-Through Maryland State Department of Health				
Sexually Transmitted Disease/HIV Partner Counseling & Referral Services (PCRS)	93.977	CH 051 STD	93,893	126,644
Total Preventive Health Services_Sexually Transmitted Diseases Control Grants			1,380,087	2,415,963
Preventive Health Services_Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants				
USHINE	93.978	N/A	197,320	197,320
Community Approaches Reducing STDs	93.978	N/A	-	(1,771)
Total Preventive Health Services_Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants			197,320	195,549

CITY OF BALTIMORE

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)				
Family Planning Services				
Reproductive Health/Family Planning	93.217	FH 201 FFP	\$ -	\$ 566,309
Total Family Planning Services			-	566,308
ACA - Abstinence Education Program				
Sexual Risk Avoidance Grant	93.235	AD750SRA	-	240,353
ACA - Abstinence Education Program	93.235	FH 807 ABS	-	(147,615)
Total ACA - Abstinence Education Program			-	92,738
Immunization Cooperative Agreements				
Baltimore City Immunization Program	93.268	CH 054 IMM	-	689,031
Immunization - Hepatitis B	93.268	CH 350 IMM	-	123,652
Total Immunization Cooperative Agreements			-	812,683
Adult Viral Hepatitis Prevention and Control				
Community Based Program to Test & Cure Hepatitis C	93.270	AD 712 HCV	-	63,083
HIFA Expansion				
HIFA Expansion	93.870	FHD 39 MIC	1,359,145	1,532,551
Total HIFA Expansion			1,359,145	1,532,551
State Public Health Actions to Prevent and Control Diabetes, Heart Disease, Obesity and Associated Risk Factors and Promote School Health financed in part by Prevention and Public Health Funding (PPHF)				
Actions to Prevent Obesity, Diabetes, Heart Disease	93.757	FHC 25 ODH	-	(1,591)
Children's Health Insurance Program				
Administrative Care Coordination	93.767	MA 005 EPS	1,463,715	1,889,421
MCHP Eligibility	93.767	MA 157 ACM	2,369,132	2,442,644
Total Children's Health Insurance Program			3,832,847	4,332,065
<i>Medicaid Cluster</i>				
Medical Assistance Program				
General Transportation Services	93.778	MA 365 GTS	-	14,118,201
Healthy Start Program - Expanded ACC	93.778	MA 411 HSP	903,450	1,301,223
Total Medical Assistance Program			903,450	15,419,424
<i>Total Medicaid Cluster</i>				
			903,450	15,419,424
HIV Care Formula Grants				
Ryan White B - Consortia Services	93.917	AD 419 RWS	470,663	473,757
Maternal and Child Health Services Block Grant to the States				
CORE Public Health Services	93.994	CH 560 CFT	238,812	719,517
Child Health Systems Improvement	93.994	FHC 69 CHS	472,006	1,977,909

CITY OF BALTIMORE

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)</u>				
Maternal and Child Health Services Block Grant to the States (continued)				
Healthy Homes	93.994	Unknown	\$ -	\$ 35,676
Medical Home Project	93.994	CH 929 MHP	-	(33,699)
Surveillance and Quality Improvement	93.994	FHD 62 SQI	59,087	206,953
Total Maternal and Child Health Services Block Grant to the States			<u>769,905</u>	<u>2,906,356</u>
Total Pass-Through Maryland State Department of Health			<u>7,652,258</u>	<u>27,014,209</u>
<i>TANF Cluster</i>				
Temporary Assistance for Needy Families (TANF)				
Pass-Through Maryland State Department of Human Services				
DSS-Summer Youth Employment Program	93.558	Unknown	-	2,000,000
Workforce Services for TANF Recipients/Family Investment	93.558	Unknown	-	2,566,266
Total Temporary Assistance for Needy Families (TANF)			<u>-</u>	<u>4,566,266</u>
<i>Total TANF Cluster</i>				
			-	4,566,266
Refugee and Entrant Assistance Targeted Assistance Grants				
Refugee Targeted Assistance	93.584	1701MDRTAG	-	319,572
Total Refugee and Entrant Assistance Targeted Assistance Grants			<u>-</u>	<u>319,572</u>
Child Support Enforcement				
Cooperative Reimbursement - Child Support Enforcement	93.563	Unknown	-	209,171
Low-Income Home Energy Assistance				
OHEP - MEAP FY2017	93.568	CSA/EA-07/04-30	-	77,617
OHEP	93.568	Unknown	-	3,129,332
Total Low-Income Home Energy Assistance			<u>-</u>	<u>3,206,949</u>
Total Pass-Through Maryland State Department of Human Services			<u>-</u>	<u>3,206,949</u>
Community Services Block Grant				
Pass-Through Maryland State Department of Housing and Community Development				
Community Services Block Grant FY2018	93.569	Unknown	-	2,683,033
Total Community Services Block Grant			<u>-</u>	<u>2,683,033</u>
Block Grants for Prevention and Treatment of Substance Abuse				
Pass-Through Behavioral Health Systems Baltimore				
Alcohol Assessment Unit	93.959	AS019-AAU-BCCA	-	343,519
Forensic Alternative Services Team (FAST)	93.959	MH327-20A-BCCB	-	539,079
Pass-Through Maryland State Department of Health				
Overdose Educational Naloxone Distribution Program	93.959	AS 402 ODN	-	(24,826)
Total Block Grants for Prevention and Treatment of Substance Abuse			<u>-</u>	<u>857,771</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)			<u>36,236,351</u>	<u>78,315,969</u>
<u>CORPORATION FOR NATIONAL & COMMUNITY SERVICE (CNCS)</u>				
Retired and Senior Volunteer Program				
Retired and Senior Volunteer Program	94.002	N/A	-	108,535
Total Retired and Senior Volunteer Program			<u>-</u>	<u>108,535</u>

CITY OF BALTIMORE

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>CORPORATION FOR NATIONAL & COMMUNITY SERVICE (CNCS) (continued)</u>				
<i>Foster Grandparent/Senior Companion Cluster</i>				
Senior Companion Program				
Senior Companion Program	94.016	N/A	\$ -	\$ 267,066
<i>Total Foster Grandparent/Senior Companion Cluster</i>				
TOTAL CORPORATION FOR NATIONAL & COMMUNITY SERVICE (CNCS)				
			-	267,066
			-	375,601
<u>EXECUTIVE OFFICE OF THE PRESIDENT (EOP)</u>				
High Intensity Drug Trafficking Areas Program (HIDTA)				
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	N/A	-	103,602
Mercyhurst Baltimore HIDTA	95.001	N/A	-	1,178
Total High Intensity Drug Trafficking Areas Program (HIDTA)				
			-	104,780
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT (EOP)				
			-	104,780
<u>U.S. DEPARTMENT OF HOMELAND SECURITY (DHS)</u>				
Port Security Grant Program				
Homeland Security - Intelligence - Port Security Grant Program	97.056	N/A	-	47,726
Total Port Security Grant Program				
Staffing for Adequate Fire and Emergency Response Grant				
Staffing for Adequate Fire and Emergency Response Grant	97.083	N/A	-	1,200,265
Staffing for Adequate Fire and Emergency Response Grant	97.083	N/A	-	1,358,320
Total Staffing for Adequate Fire and Emergency Response Grant				
			-	2,558,585
Assistance to Firefighters				
FY17 Assistance to Firefighters Grant	97.044	N/A	-	1,921,403
Fire Facilities Maint. Replacement	97.044	N/A	-	16,474
Total Assistance to Firefighters				
			-	1,937,877
Homeland Security Grant Program				
Pass-Through Maryland Emergency Management Agency				
FY2017 Urban Area Security Initiative (UASI)	97.067	Unknown	-	672,120
FY2017 State Homeland Security Grant Program	97.067	Unknown	-	330,806
Homeland Security Grant Program	97.067	Unknown	-	45,943
Total Homeland Security Grant Program				
			-	1,048,870
Pass-Through Maryland Emergency Management Agency				
Hazard Mitigation Assistance				
Hazard Mitigation Assistance	97.039	Unknown	-	1,635
Total Hazard Mitigation Assistance				
			-	1,635
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY (DHS)				
			-	5,594,693
			-	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 66,880,360	\$ 215,248,146

CITY OF BALTIMORE

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2020

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal grant activity of the City of Baltimore (the City) under programs of the Federal government for the year ended June 30, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in fund balance, or cash flows of the City.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. INDIRECT COST RATE

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. FEDERAL LOANS

The State Capitalization Grants are revolving loan funds for the Water, Wastewater and Stormwater funds. Federally funded new loan proceeds provided under this program are included as expenditures on the Schedule in the year incurred; Expenditures during the current year reported in the Schedule amounted to \$3,550,778 for Assistance Listing (AL) No. 66.458 and \$791,500 for AL No. 66.468. Loans outstanding as of June 30, 2020, was \$493,496,000.

In addition to the Capitalization Grants from the State Revolving fund the City has borrowed funds under the Department of Housing and Urban Development (HUD) 108 loan program. These loans made under the Federal Community Development Block Grant (CDBG) program and will be repaid from future CDBG revenues. During Fiscal Year 2020, the City made no addition loans under this program. Loans outstanding as of June 30, 2020, was \$16,919,000.

CITY OF BALTIMORE

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2020

4. FEDERAL LOANS (continued)

Both the current and prior year loans are reported in the Schedule of Changes in Long-Term Liabilities in the City's 2020 Comprehensive Annual financial Report.

Revolving Loan – Program Income

The City has a revolving loan program for low-income housing renovation. Under this federal program repayments to City are considered revenues and loans of such funds to eligible recipients are considered expenditures. The amount of loan funds disbursed to program participants for the year ended June 30, 2020 was \$1,560,000 and is presented in this Schedule. The amount of principal and interest received in loan repayments for the year was \$1,160,000.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Section I – Summary of Independent Public Accountants’ Results

Financial Statements

Type of independent public accountants' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to the financial statements noted?	Yes

Federal Awards

Type of independent public accountants' report issued	Unmodified
Internal control over major programs:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Type of independent public accountants report issued on compliance for major programs	
Coronavirus Relief Fund	Qualified
Housing Opportunities for Persons with AIDS	Qualified
Aging Cluster	Qualified
Children's Health Insurance Program	Qualified
Medical Assistance Program	Qualified
HIV Emergency Relief Project Grants	Qualified
HIV Prevention Activities	Qualified
Maternal and Child Health Services Block Grant to the States	Qualified
All Others	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	Yes

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Section I – Summary of Independent Public Accountants’ Results (continued)

Identification of Major Programs

Name of Federal Major Programs	Assistance Listing Number	Federal Expenditures
US Department of Agriculture		
Child Nutrition Cluster	10.559	\$ 5,084,472
US Department of Housing and Urban Development		
Community Services Block Grant	14.218	17,467,965
Home Investment Partnerships Program	14.239	3,074,318
Total Housing Opportunity for Persons with AIDS	14.241	8,047,761
Total Continuum of Care Program	14.267	18,663,998
US Department of Transportation		
Highway Planning and Construction	20.205	41,545,035
US Department of Treasury		
Total Coronavirus Relief Fund	21.019	14,705,771
US Environmental Protection Agency		
Capitalization Grants for Clean Water State Revolving Funds	66.458	3,550,778
Capitalization Grants for Drinking Water State Revolving Funds	66.468	791,500
US Department of Health and Human Services		
Aging Cluster	93.044, 93.045, 93.053	4,058,245
Children's Health Insurance Program (CHIP)	93.767	4,332,066
Medical Assistance Program (Medicaid Cluster)	93.778	15,419,424
Total HIV Emergency Relief Project Grants	93.914	14,024,137
HIV Prevention Activities	93.940	6,588,237
Maternal and Child Health Services Block Grant to State	93.994	2,906,356
Total		<u>\$ 160,260,064</u>

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk Auditee? No

Section II Financial Statement Findings
See findings 2020-001 through 2020-007

Section III Federal Awards Findings and Questioned Costs
See findings 2020-008 through 2020-041

Section IV Summary Schedule of Prior Year Findings
See findings 2019-001 through 2019-044

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SECTION II – FINANCIAL STATEMENT FINDINGS

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding No.	AL No.	Funding Department	Title of Finding
Financial Statement Findings:			
Material Weaknesses:			
2020-001	All	All	Material Weakness over Grant Accounting Function
2020-002	All	All	Material Weakness over Financial Reporting Function
2020-003	All	All	Material Weakness over Payroll Timekeeping Function
2020-004	All	All	Material Weakness over Water and Wastewater Billing Function
2020-005	All	All	Material Weakness over Fixed Assets Accounting
2020-006	All	All	Material Weakness over Information Technology Security
2020-007	All	All	Material Weakness over Cash Receipt Accounting Function
Findings and Questioned Costs:			
Material Weaknesses:			
2020-008	All	All	Material Weakness over Schedule of Expenditures of Federal Awards (SEFA) Reporting
2020-009	10.559	U.S. Department of Agriculture	Material Weakness over Procurement and Suspension and Debarment
2020-010	14.218	U.S. Department of Housing and Urban Development	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Payroll)
2020-011	14.239	U.S. Department of Housing and Urban Development	Material Weakness over Loans and Loan Guarentees
2020-013	14.241	U.S. Department of Housing and Urban Development	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles
2020-014	14.241	U.S. Department of Housing and Urban Development	Material Weakness in Compliance and Internal Control over Eligibility
2020-015	14.241	U.S. Department of Housing and Urban Development	Material Weakness over Subrecipient Monitoring
2020-016	14.241	U.S. Department of Housing and Urban Development	Material Weakness over Special Tests and Provisions - Housing Quality Standards
2020-017	20.205	U.S. Department of Transportation	Material Weakness over Procurement and Suspension and Debarment
2020-018	21.019	U.S. Department of the Treasury	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principle (Payroll)
2020-019	21.019	U.S. Department of the Treasury	Material Weakness over Subrecipient Monitoring
2020-020	66.458	U.S. Environmental Protection Agency (EPA)	Material Weakness over Procurement
2020-021	66.468	U.S. Environmental Protection Agency (EPA)	Material Weakness over Procurement
2020-022	93.044	U.S. Department of Health and Human Services	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principle (Payroll)
	93.045		
	93.053		
2020-023	93.767	U.S. Department of Health and Human Services	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principle (Payroll)

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding No.	CFDA No.	Funding Department	Title of Finding
Findings and Questioned Costs (continued):			
Material Weaknesses:			
2020-024	93.778	U.S. Department of Health and Human Services	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles
2020-025	93.778	U.S. Department of Health and Human Services	Material Weakness over Eligibility
2020-026	93.778	U.S. Department of Health and Human Services	Material Weakness over Period of Performance
2020-027	93.778	U.S. Department of Health and Human Services	Material Weakness over Reporting
2020-028	93.914	U.S. Department of Health and Human Services	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Payroll)
2020-029	93.914	U.S. Department of Health and Human Services	Material Weakness over Cash Management
2020-030	93.914	U.S. Department of Health and Human Services	Material Weakness over Eligibility
2020-031	93.914	U.S. Department of Health and Human Services	Material Weakness over Subrecipient Monitoring
2020-032	93.940	U.S. Department of Health and Human Services	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principle (Payroll)
2020-033	93.940	U.S. Department of Health and Human Services	Material Weakness over Cash Management
2020-035	93.940	U.S. Department of Health and Human Services	Material Weakness over Procurement and Suspension and Debarment
2020-036	93.940	U.S. Department of Health and Human Services	Material Weakness over Reporting
2020-037	93.940	U.S. Department of Health and Human Services	Material Weakness over Subrecipient Monitoring
2020-038	93.994	U.S. Department of Health and Human Services	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principle
2020-039	93.994	U.S. Department of Health and Human Services	Material Weakness over Cash Management
2020-041	93.994	U.S. Department of Health and Human Services	Material Weakness over Reporting
Significant Deficiencies:			
2020-012	14.239	U.S. Department of Housing and Urban Development	Significant Deficiency in Compliance and Internal Control over Eligibility
2020-040	93.994	U.S. Department of Health and Human Services	Significant Deficiency in Compliance and Internal Control over Period of Performance
Control Deficiencies			
2020-034	93.940	U.S. Department of Health and Human Services	Control Deficiency over Period of Performance

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-001

Programs: All

Material Weakness over Grant Accounting Function

Repeat Finding: Yes – 2019-001

Condition:

Due to lack of formal procedures and accountability at various departments, the City is not able to establish accurate balances of grant accounts receivable and grant deferred revenue accounts. There is a lack of communication between the departments that receive grants and the Baltimore City Department of Finance (Finance) that consolidates information received from the various departments and uses it to assemble financial statements. Grant revenues and expenditures are often allocated to incorrect general ledger accounts which could result in overcharging certain grant accounts, overstating deferred revenues for other grant accounts, and improper billings of certain grants.

Criteria:

The City is responsible for properly tracking and accounting for State, Federal and other grants in accordance with accounting principles generally accepted in the United States of America and following Administrative Manual (AM) Grant Policies 413-00 through 413-70.

Cause:

Finance reports grant revenue, grant accounts receivable and grant deferred revenue balances based on the information provided and maintained by various departments that receive State, Federal, and other grants. Finance does not have the authority to enforce timely preparation and reconciliation of grant account balances from departments. The City's general ledger software, City Dynamics, makes it difficult to properly track revenues and expenditures for multi-year grants that go across fiscal and award years due to reporting constraints with the software and the ability to record items to prior year codes. The City also does not have staff dedicated to properly account for the grant activity and related details required.

Effect:

The City is not able to establish accurate balances of grant accounts receivable, grant deferred revenue accounts, and expenditures reported on the Schedule could be misstated.

Questioned Costs:

Unknown.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-001 (continued)

Recommendation:

We recommend enforcement of the AM Grant Policies 413-00 through 413-70 to ensure timely and proper tracking and accounting for grant revenues and expenditures. We also recommend timely and proper reconciliation of grant account balances from central general ledger to systems maintained at individual departments that receive grants. In addition, the City should continue its investment in and implementation of new general ledger software that would be able to accommodate the accounting and recordkeeping for grants received by the City and dedicate staff to properly account for its grant activities.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-002

Programs: All

Material Weakness over Financial Reporting

Repeat Finding: Yes – 2019-002

Condition:

The City had a number of post year-end adjustments to its fiscal year 2020 financial statements. Such adjustments relate to errors (both material and immaterial) undiscovered throughout the fiscal year.

Criteria:

The City is responsible for proper accounting and disclosure of financial information in accordance with accounting principles generally accepted in the United States of America.

Cause:

Finance reports financial information based on the information provided and maintained by various departments that process property tax activities, water and sewer activities, capital asset activity, and internal fund balance/transfer activity. Finance does not have the authority to enforce timely preparation and reconciliation of activity and account balances from departments. The City's general ledger software, City Dynamics, makes it difficult to properly track property tax receivables, water billings, capital assets, and certain internal fund balances. Management informed us that Finance does not have staff dedicated to review these transactions throughout the year and rather relies on department personnel to process transactions and Finance performs manual post-closing reviews of such balances and related activity. Due to the voluminous amount of activity in these accounts, it is difficult to perform a thorough post-closing review and detect all material errors. Additionally, because of the number of errors detected, information provided throughout the year may be materially incorrect.

The City does not have adequate financial reporting software that can generate financial statements for a governmental entity and requires significant manual changing of data to create the financial statements. The City has invested in new software but as of June 30, 2020 was still working to customize the software for the City's needs and had not yet fully implemented any functions of the software.

Effect:

The City had significant audit adjustments for the year ended June 30, 2020. Additionally, the interim financial information produced by the City may be inaccurate.

Questioned Costs:

Unknown.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-002 (continued)

Recommendation:

We strongly recommend the City to develop a formal written procedure to develop monthly and year-end financial reporting procedures and checklists and to consider obtaining more resources to assist in preparation of financial statements. We also suggest that the City invests in financial reporting software that would help the City generate appropriate reports and compile accurate financial statements.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-003

Programs: All

Material Weakness over Payroll Timekeeping Function

Repeat Finding: Yes – 2019-003

Condition:

Various departments within the City are responsible for proper timekeeping and storage of timekeeping information. The City does not have a system that ensures proper approval and storage of timekeeping information among different departments. In addition, the timekeeping system that is currently used by some departments does not have the capability to maintain timekeeping records to support the time charged to programs within the compliance guidelines of Federal agencies and certain union agreements of the City.

Criteria:

The City is responsible for proper timekeeping and calculation of payroll in accordance with the City policies and procedures.

Cause:

The City does not have policies and procedures in place to ensure the proper timekeeping records are consistently maintained in all departments and has a lack of standardized forms and centralized system.

Effect:

Records to support time charged to State and Federal programs may not be maintained and approved.

Questioned Costs:

Unknown.

Recommendation:

We strongly recommend the City develop a formal written procedure to develop timekeeping procedures that would ensure proper approval and storage of timekeeping information. We also suggest the City invest in timekeeping software that would work for all the departments and meet the compliance of Federal guidelines and union agreements.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-004

Material Weakness over Water and Wastewater Billing Function

Repeat Finding: Yes – 2019-004

Condition:

Department of Public Works (DPW) is responsible for accurate and timely billing for water and wastewater utilities. In fiscal year 2017, the City changed its billing rate model and implemented a new UMAX billing system for billing of City residents. A significant number of accounts have not been billed since the system has been implemented and a significant number of accounts have been billed inconsistently. The Bureau of Payroll and Accounting Services with the help of DPW had to make an estimate of revenue earned in fiscal year 2020 and not billed.

Criteria:

The City is responsible for timely and accurate billing for City residents and recordation of water and wastewater utility services in accordance with accounting principles generally accepted in the United States of America.

Cause:

The City implemented a new water and wastewater utilities billing system, UMAX. During the transition, errors in the transfer of underlying database information caused a significant number of customer accounts were not billed or billed inconsistently.

Effect:

The City's water and wastewater utilities system is not able to establish accurate water and wastewater utilities revenue and accounts receivable balances without manually calculated adjustments and this is a greater risk of error due to manual adjustments.

Questioned Costs:

Unknown.

Recommendation:

We strongly recommend the City develop a formal written procedure to develop timely and accurate billing for water and wastewater utilities. The City should reconcile all accounts to the water billing system. The City should properly train and develop staff prior to implementation of any new systems.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-005

Material Weakness over Fixed Assets Accounting

Repeat Finding: Yes – 2019-005

Condition:

The City capitalized \$1.1 billion of fixed asset additions which they had to manually identify and calculate. Additionally, significant errors were detected in the depreciation calculation.

Criteria:

The City is responsible for proper capitalization and recordation of fixed assets in accordance with accounting principles generally accepted in the United States of America.

Cause:

Finance reports depreciable and non-depreciable fixed assets based only on the information provided at the end of the fiscal year, provided by various City departments that purchase and dispose of fixed assets and account for construction during the fiscal year. Finance is responsible at the end of the year to account for each department's expenditures in construction as well as track what projects have been completed during the year in order to properly reclassify the completed project to the correct depreciable asset (e.g., infrastructure, building, improvements, etc.).

Effect:

This process resulted in the City having to record a significant adjustment to depreciation expense for the year ended June 30, 2020.

Questioned Costs:

Unknown.

Recommendation:

We recommend that the City develop a formal written procedure to reconcile capital expenditures recorded in various funds to the capitalized assets reported on the entity-wide basis. We also recommend that the City develop written capitalization policies. The City should use the new general ledger software to track fixed asset additions and depreciation calculations.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-006

Material Weakness over Information Technology Security

Repeat Finding: Yes – 2019-006

Condition:

During fiscal year 2019, the City fell victim to a breach in its information technology (IT) security by hackers with a strain of ransomware. Efforts to recover data and improve IT security were not completed by the completion of the fiscal year 2020 Single Audit.

Criteria:

The City is responsible for maintaining a safe and secure network for daily operations as well as data storage.

Cause:

The City did not have proper IT security in place, leaving their systems at risk. The City also did not have sufficient equipment and IT support to immediately transfer to remote operations.

Effect:

Operations within various departments in the City came to a halt while secondary methods of conducting daily operations were developed and implemented. Water consumption billing and property transfers had the most significant impact. Additional equipment purchases were required to be made in order to comply with State and local regulations which required non-essential employees to work remotely. IT security risk increases as a result of employees working from home.

Questioned Costs:

Unknown.

Recommendation:

We recommend that the City: (1) implement IT training programs surrounding the various threats and how to identify them; and (2) maintain a more secure network for its daily operations and the storage of its data.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-007

Material Weakness over Cash Receipts Accounting Function

Repeat Finding: No

Condition:

Various accounts labeled as “unidentified cash receipts” with significant uninvestigated balances were identified. The balance of these accounts was approximately \$49 million as of June 30, 2020.

Criteria:

The City is responsible for maintaining control environment surrounding their various cash receipt and recordation processes to ensure that cash received as a result of normal operations is recorded accurately and timely to the correct account balances.

Cause:

The City did not have proper controls and processes in place to ensure that all cash received throughout the year was recorded accurately and timely to the correct accounts.

Effect:

Inaccurate recordation, or lack of allocation of cash receipts to the correct accounts, could result in accounts receivable being materially misstated.

Questioned Costs:

Unknown.

Recommendation:

We strongly recommend the City develop a formal written procedure to develop timely and accurate recordation of cash receipts. The City should properly train and develop staff to ensure implementation of these procedures.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor’s Conclusion:

Finding remains as stated.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

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CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-008

Programs: All

**Material Weakness over Schedule of Expenditures of Federal Awards (the Schedule)
Reporting**

Repeat Finding: Yes – 2019-007

Condition:

During our fiscal year 2020 audit, we noted the detail expenditure information in the accounting software differed from the expenditures reported by various City departments. We were not able to determine if the Federal expenditures and subrecipient payments for all grants from the City was complete. The amount passed through to subrecipients had to be updated for certain grants.

Finance is responsible for preparing the Schedule based upon grant information obtained from the financial accounting records and other information provided by each department or agency. Per discussion with Finance, we became aware that grant information and documents are not maintained by Finance. Grant documents are necessary for Finance to obtain required information for the Schedule, such as AL titles and numbers, pass through identification information and subrecipient information.

Criteria:

In accordance with 2 CFR 200.303, Internal controls: The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

In accordance with 2 CFR 200.508, Auditee responsibilities: The auditee must: (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with §200.510 Financial statements.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-008 (continued)

Criteria (continued):

In accordance with 2 CFR 200.510, Financial statements: (c) Schedule of expenditures of Federal awards: the auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with §200.502, Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must: (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included. (3) Provide total Federal awards expended for each individual Federal program and the AL number or other identifying number when the AL information is not available. For a cluster of programs also provide the total for the cluster. (4) Include the total amount provided to subrecipients from each Federal program. (6) Include notes that describe that significant accounting policies used in preparing the schedule and note whether or not the non-Federal entity elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs.

Cause:

The City does not maintain a centralized grant accounting function or standardized policies and procedures, including requirements to periodically submit and reconcile expenditures; instead, each department maintains its own grant information. The lack of submission of grant documents and accurate information by the various agencies and departments to Finance weakens internal controls over grant reporting and hinders the ability of Finance to accurately prepare the Schedule.

Internal controls over financial reporting should be designed to prevent, detect or correct errors in a timely manner. Without adequate controls, the City cannot provide reasonable assurance that the Schedule is fairly presented. Controls have not been established by the City to ensure complete and accurate reporting for the Schedule for the 2020 fiscal year.

Effect:

The determination of which major programs will be audited are affected by the accuracy of the Schedule at the time of audit. Without proper internal controls over financial reporting, inaccurate reporting of the City's financial information could occur. As a result, individual program reports throughout the year could have inaccurate information.

Questioned Costs:

Unknown.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-008 (continued)

Recommendation:

We recommend that Finance establish policies and procedures to ensure that the Federal funds are properly identified and reported accurately in the Schedule in accordance with Uniform Guidance requirements. We also recommend that individuals responsible for administering Federal assistance programs with the City receive training in grant administration.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-009

**U.S. Department of Agriculture
AL No. 10.559 Summer Food Service Program for Children**

Material Weakness over Compliance and Internal Control over Procurement and Suspension and Debarment

Repeat Finding: No

Condition:

For 3 out of 3 selections, Department of Housing and Community Development (DHCD) management did not provide evidence that the City confirmed the vendor was not debarred, suspended, or otherwise excluded.

For 2 out of 3 selections, DHCD management did not complete a formal bid process with full and open competition, pre-award cost-price analysis, and consent to subcontract.

Criteria:

In accordance with 2 CFR §200.303: The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

According to 2 CFR Part 180 and 5532, non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-009 (continued)

Cause:

DHCD did not properly adhere to the procurement and suspension and debarment requirements under Uniform Guidance; however, they did receive an Emergency Expenditure Authorization from the Baltimore City Procurement office due to these vendors being needed as a result of increased program activity due to the Coronavirus pandemic. The procurement and fiscal business units within the DHCD do not have a process in place to verify that contractors, subcontractors and individuals that enter into contractual agreements are not disbarred or suspended from doing business with the Federal government.

Effect:

DHCD is not in compliance with the procurement and suspension and debarment requirement for the Summer Food Service Program for Children.

Questioned Costs:

Unknown.

Recommendation:

We recommend that DHCD establish a process within its' procurement and/or fiscal business units, to review contractors, subcontractors and individuals against the General Services Administration System for Award Management (GSA-SAM) exclusion file to ensure the companies and/or individuals are not excluded from doing business with the Federal government. For checking against GSA-SAM, two procedures could be followed: (1) the City's system can interface with Federal system and establish an automatic check, or (2) procurement can get access to Federal system, check the validity, print the screen, and document it in the City's system.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-010

**U.S. Department of Housing and Urban Development (HUD)
AL No. 14.218 Community Development Block Grants/Entitlement Grants**

Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Payroll)

Repeat Finding: No

Condition:

For 10 out of 25 payroll selections the amounts recorded in Human Resource Information System (HRIS) did not agree to the amounts recorded in the E-time system in order to validate compliance and internal controls over Activities Allowed and Allowable Costs/Cost Principles.

Criteria:

In accordance with 2 CFR 200.430: (i) Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must: (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; (ii) Be incorporated into the official records of the non-Federal entity; (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities; (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy; (v) Comply with the established accounting policies and practices of the non-Federal entity; and (vi) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

According to AM 413-60, Grant Documentation, Grant Manager/Program Manager/Director conducts ongoing monitoring and control of all reimbursement receipts and deposits until grant ends; as well as all program and sub-recipient (when applicable) documentation, to include: (1). program documentation; (2). timesheets, (3) deliverables, (4) activities; (5) vendor payments; (6) program data/charts/numbers; and (7) financial and compliance report.

According to AM 413-61, Grant Management Financial Reporting, Grant Manager/Program Manager/Director maintains all documentation, either electronic or hard copy, for all federally funded grants for the term of the grant for a minimum of seven years for review and audit by the granting agency or its designee.

Cause:

DHCD did not have proper controls in place to follow AM 413-60 and 413-61.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-010 (continued)

Effect:

Unallowed payroll costs could be charged to the grant.

Questioned Costs:

Unknown.

Recommendation:

We recommend that DHCD update its policies and procedures to include checklists that include steps to review and reconcile costs charged to the grant to ensure they are valid expenditures and such amounts charged reconcile to underlying activity, such activity was appropriately approved, that all relevant documentation is kept and accessible and provide training on documentation requirements. In addition, we recommend that DHCD implement a formal review of personnel charged to the grant to ensure they are eligible employees to be charged to the grant.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-011

**U.S. Department of Housing and Urban Development (HUD)
AL No. 14.239 Home Investment Partnership Program (HOME)**

Material Weakness over Loans and Loan Guarantees

Repeat: Yes – 2019-009

Condition:

The City does not have a process to track loans and loan guarantees to accurately report in the Schedule and / or footnotes in the current and prior reporting periods.

Criteria:

In accordance with 2 CFR §200.303: The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Per CFR 200.502 (b), since the Federal Government is at risk for loans until the debt is repaid, the following guidelines must be used to calculate the value of Federal awards expended under loan programs, except as noted in paragraphs (c) and (d) of this section: (1) Value of new loans made or received during the audit period; plus (2) Beginning of the audit period balance of loans from previous years for which the Federal Government imposes continuing compliance requirements; plus (3) Any interest subsidy, cash, or administrative cost allowance received.

Cause:

The City did not have a process or controls in place to ensure that they were in compliance with Schedule expenditure reporting and disclosure requirements for loans and loan guarantees under Uniform Guidance.

Effect:

The City may not be in compliance with the reporting requirements for loans and loan guarantees in accordance with Uniform Guidance, which can negatively affect the opportunity to receive future Federal funding.

Questioned Costs:

None.

Recommendation:

We also recommend the City develop a process to track loans and loan guarantees and provide training to employees on the Uniform Guidance requirements with regard to loans and loan guarantees disclosure and reporting requirements.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-011 (continued)

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-012

U.S. Department of Housing and Urban Development (HUD)
AL No. 14.239 Home Investment Partnership Program (HOME)

Significant Deficiency in Compliance and Internal Control over Eligibility

Repeat Finding: Yes – 2019-008

Condition:

For 6 out of 25 selections, the participant's annual income reported in the Baltimore City Health Department internal tracking report did not match what was calculated on the application.

Additionally, there were 5 out of the 25 selections where the participant's monthly rent was more than the maximum HOME monthly rent as determined by HUD.

Criteria:

In accordance with 24 CFR §200.303: The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

The HOME Program has income targeting requirements. Only low income or very low-income persons, as defined in 24 CFR section 92.2, can receive housing assistance (24 CFR section 92.1). Therefore, the participating jurisdiction must determine if each family is income eligible by determining the family's annual income, including all persons in the household, as provided for in 24 CFR section 92.203. Participating jurisdictions must maintain records for each family assisted (24 CFR section 92.508).

HOME-assisted units in a rental housing project must be occupied only by households that are eligible as low-income families and must meet certain limits on the rents that can be charged. The requirements also apply to the HOME-assisted non-owner-occupied units in single-family (one–four unit) housing purchased with HOME funds. The maximum HOME rents, which include utilities or the utility allowance, are the lesser of: the fair market rent for comparable units in the area, as established by HUD under 24 CFR section 888.111, or a rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area as determined by HUD with adjustments for the number of bedrooms. In rental projects with five or more units there are additional rent limitations. Twenty percent of the HOME-assisted units must be occupied by very low-income families and meet one of the following rent requirements: (1) the rent does not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-012 (continued)

Criteria (continued):

HUD, with adjustments for larger or smaller families; or (2) the rent does not exceed 30 percent of the families adjusted income (24 CFR sections 92.216 and 92.252).

Cause:

The DHCD did not have adequate controls over the documentation of the eligibility process and did not have adequate controls over the review of participant's eligibility based on annual income or monthly rent.

Effect:

Funding may have been provided to ineligible persons and DHCD is not in compliance with the documentation standards of 2 CFR 200.

Questioned Costs:

Unknown.

Recommendation:

We recommend that DHCD updates its processes and controls to include checklists and documentation areas to document how exceptions were handled. Further, DHCD should provide training to employees to emphasize the importance of adequate documentation and documentation retention and consistency of information being tracked for the applications.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-013

U.S. Department of Housing and Urban Development (HUD)
AL No. 14.241 Housing Opportunities for Persons with AIDS

Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Repeat Finding: No

Condition:

The Mayor's Office of Homeless Services (MOHS) management was unable to provide documentation for 25 out of 25 nonpayroll and timesheets and other applicable payroll documentation for 5 out of 25 payroll transactions in order to validate compliance and internal controls over Activities Allowed and Allowable Costs/Cost Principles.

Criteria:

In accordance with 2 CFR §200.303, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

In accordance with 2 CFR 200.430: (i) Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must: (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; (ii) Be incorporated into the official records of the non-Federal entity; (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities; (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy; (v) Comply with the established accounting policies and practices of the non-Federal entity; and (vi) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

According to AM 413-60, Grant Documentation, Grant Manager/Program Manager/Director Conducts ongoing monitoring and control of all reimbursement receipts and deposits until grant ends; as well as all program and sub-recipient (when applicable) documentation, to include: (1). program documentation; (2). timesheets, (3) deliverables, (4) activities; (5) vendor payments; (6) program data/charts/numbers; and (7) financial and compliance report.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-013 (continued)

Criteria: (continued)

According to AM 413-61, Grant Management Financial Reporting, Grant Manager/Program Manager/Director maintains all documentation, either electronic or hard copy, for all Federally funded grants for the term of the grant for a minimum of seven years for review and audit by the granting agency or its designee.

Cause:

MOHS did not have proper controls in place to follow AM 413-60 and 413-61.

Effect:

Unallowed payroll costs could be charged to the grant.

Questioned Costs:

Unknown.

Recommendation:

We recommend that MOHS update its policies and procedures to include checklists that include steps to review and reconcile costs charged to the grant to ensure they are valid expenditures and such amounts charged reconcile to underlying activity, such activity was appropriately approved, that all relevant documentation is kept and accessible and provide training on documentation requirements. In addition, we recommend that MOHS implement a formal review of personnel charged to the grant to ensure they are eligible employees to be charged to the grant.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-014

**U.S. Department of Housing and Urban Development (HUD)
AL No. 14.241 Housing Opportunities for Persons with AIDS**

Material Weakness in Compliance and Internal Control over Eligibility

Repeat Finding: No

Condition:

For 5 out of 40 selections, MOHS management did not have adequate documentation to verify all eligibility requirements of program participants.

For 32 out of 40 selections, MOHS management did not have evidence of case manager review of the participant file for eligibility requirements.

Criteria:

In accordance with 2 CFR §200.303: The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

As defined in 24 CFR section 574.3, a person eligible for assistance under this program means a person with HIV or AIDS who is a low-income individual and the person's family, including persons important to their care or well-being. The eligibility of those tenants who were admitted to the program should be determined by (1) obtaining applications that contain all the information needed to determine eligibility, including diagnosis, documentation of housing need, income, rent, and order of selection; and (2) obtaining third-party verifications or documentation of expected income, assets, unusual medical expenses, and any other pertinent information.

In accordance with 24 CFR section 574.310: Except for persons in short-term supportive housing, each person receiving rental assistance under the Housing Opportunities for People With AIDS (HOPWA) program must pay as rent the higher of: (1) 30 percent of the family's monthly adjusted gross income; (2) 10 percent of the family's monthly gross income; or (3) the portion of the payments that is designated if the family is receiving payments for welfare assistance from a public agency and a part of the payments, adjusted in accordance with the family's actual housing costs, is specifically designated by the agency to meet the family's housing costs.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-014 (continued)

Criteria (continued):

If grant funds are used to provide rental assistance, the amount of grant funds used to pay monthly assistance for an eligible person may not exceed the difference between the lower of the rent standard or reasonable rent. Per 24 CFR section 574.20(a)(3), the rent charged for a unit must be reasonable in relation to rents currently being charged for comparable units in the private unassisted market and must not be in excess of rents currently being charged by the owner for comparable unassisted units. Allowable assistance can be determined by telephone surveys, site visits after telephoning, or more extensive market surveys of available rental units to assess the reasonableness of rents being charged.

In accordance with 24 CFR section 574.330: A short-term supported housing facility may not provide residence to any individual for more than 60 days during any six-month period. Further a short-term supported facility may not provide shelter or housing at any single time for more than 50 families or individuals. Short-term rent, mortgage, and utility payments to prevent the homelessness of the tenant or the mortgagor of a dwelling may not be provided to such an individual for costs accruing over a period of more than 21 weeks in any 52-week period.

According to AM 413-60, Grant Documentation, Grant Manager/Program Manager/Director Conducts ongoing monitoring and control of all reimbursement receipts and deposits until grant ends; as well as all program and sub-recipient (when applicable) documentation, to include: (1). program documentation; (2). timesheets, (3) deliverables, (4) activities; (5) vendor payments; (6) program data/charts/numbers; and (7) financial and compliance report.

According to AM 413-61, Grant Management Financial Reporting, Grant Manager/Program Manager/Director maintains all documentation, either electronic or hard copy, for all federally funded grants for the term of the grant for a minimum of seven years for review and audit by the granting agency or its designee.

Cause:

MOHS did not have proper controls in place to follow AM 413-60 and 413-61.

Effect:

MOHS may not be in compliance with the eligibility requirements of the grant or documentation standards of AM 413-61.

Questioned Costs:

Unknown.

Recommendation:

We recommend that MOHS: (1) follow AM 413-60 and AM 413-61 for documentation and retention of the review and approval of eligibility criteria; and (2) provide training about procedures related to the documentation of eligibility evaluations.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-014 (continued)

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-015

**U.S. Department of Housing and Urban Development (HUD)
AL No. 14.241 Housing Opportunities for Persons with AIDS**

Material Weakness over Subrecipient Monitoring

Repeat Finding: No

Condition:

For 1 out of 3 selections, MOHS management was unable to provide evidence that subrecipient monitoring was performed by MOHS, therefore we could not test that they were in compliance with subrecipient requirements.

For 2 out of 3 selections, evidence of subrecipient monitoring was performed, however MOHS management was unable to provide evidence of a risk assessment being performed prior to the award or any subawards.

Criteria:

In accordance with 2 CFR §200.303: The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Pursuant to 31 USC 7502(f)(2) (Single Audit Act Amendments of 1996 (Pub. L. No. 104-156)), 2 CFR sections 200.330, .331, and .501(h), a pass-through entity must identify the award and applicable requirements, evaluate risk, monitor, and ensure accountability of subrecipients.

Cause:

MOHS did not maintain adequate documentation of the requirements included in Uniform Guidance related to procedures required for subrecipient monitoring.

Effect:

The subrecipient could not be in compliance with Uniform Guidance, therefore causing MOHS to not be in compliance with Uniform Guidance. MOHS management does not have proper controls in place to ensure that subrecipients are monitored in a timely manner, and as a result management would not be able to determine whether subrecipients were in compliance with applicable Federal requirements.

The Department may have selected a subrecipient that does not have appropriate system of internal control in place or the Department's monitoring plan may not be adequate based on the internal control system in place at the subrecipients organization.

Questioned Costs:

Unknown.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-015(continued)

Recommendation:

We recommend that MOHS establish and implement controls for the program and prepare and maintain a written plan perform risk assessments on potential subrecipients. Additionally, we recommend that MOHS provides training on the new Uniform Guidance requirements related to subrecipient monitoring.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-016

**U.S. Department of Housing and Urban Development (HUD)
AL No. 14.241 Housing Opportunities for Persons with AIDS**

Material Weakness over Special Tests – Housing Quality Standards

Repeat Finding: No

Condition:

For 12 out of 40 selections, MOHS management was unable to provide the documentation for fiscal year 2020, therefore, we could not test to determine if the housing quality standards were met.

Criteria:

In accordance with 2 CFR §200.303: The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

In accordance with 24 CFR sections 574.310(b)(1)-(2): All housing that involves acquisition, rehabilitation, conversion, lease, repair of facilities, new construction, project- or tenant-based rental assistance (including assistance for shared housing arrangements), and operating costs must meet various housing quality standards.

According to AM 413-60, Grant Documentation, Grant Manager/Program Manager/Director Conducts ongoing monitoring and control of all reimbursement receipts and deposits until grant ends; as well as all program and sub-recipient (when applicable) documentation, to include: (1). program documentation; (2). timesheets, (3) deliverables, (4) activities; (5) vendor payments; (6) program data/charts/numbers; and (7) financial and compliance report.

According to AM 413-61, Grant Management Financial Reporting, Grant Manager/Program Manager/Director maintains all documentation, either electronic or hard copy, for all federally funded grants for the term of the grant for a minimum of seven years for review and audit by the granting agency or its designee.

Cause:

MOHS did not maintain documentation to demonstrate they had the process to ensure that housing quality standards requirements were being followed properly.

Effect:

MOHS may not be in compliance with the housing quality standards requirements under Uniform Guidance.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-016 (continued)

Questioned Costs:

Unknown.

Recommendation:

We recommend that MOHS: (1) implement proper documentation controls to ensure the housing quality standards requirements are being followed and, (2) follow the AM 413-61 retention policy.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-017

U.S. Department of Transportation

Highway Planning and Construction Cluster

AL No. 20.205 Highway Planning and Construction (Federal-Aid Highway Program)

Material Weakness over Procurement and Suspension and Debarment

Repeat Finding: No

Condition:

For 2 out of 10 selections, Department of Transportation (DOT) management did not provide evidence that the City confirmed the vendor was not debarred, suspended, or otherwise excluded.

Criteria:

In accordance with 2 CFR §200.303: The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

According to 2 CFR Part 180 and 5532, non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction.

Cause:

The procurement and fiscal business units within DOT do not consistently follow a formalized process or procedure in place to ensure that contractors, subcontractors and individuals that enter into contractual agreements are not disbarred or suspended from doing business with the Federal government.

Effect:

DOT is not in compliance with the procurement and suspension and debarment requirement.

Questioned Costs:

Unknown.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-017 (continued)

Recommendation:

We recommend that DOT establish a process within its' procurement and/or fiscal business units, to review contractors, subcontractors and individuals against the General Services Administration System for Award Management (GSA-SAM) exclusion file to ensure the companies and/or individuals are not excluded from doing business with the Federal government. For checking against GSA-SAM, two procedures could be followed: (1) the City's system can interface with Federal system and establish an automatic check, or (2) procurement can get access to Federal system, check the validity, print the screen, and document it in the City's system.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-018

U.S. Department of Treasury

AL No. 21.019 Coronavirus Relief Fund (CARES)

**Material Weakness over Activities Allowed or Unallowed and Allowable Cost/Cost Principle
(Payroll)**

Repeat Finding: No

Condition:

For 10 of 25 selections, the Fire and Health Departments (BCFD and BCHD) management was unable to provide timesheets and other applicable payroll documentation in order to validate compliance and internal controls over Activities Allowed and Allowable Costs/Cost Principles.

For 10 out of 25 selections, the timesheets provided were not approved by BCFD and BCHD management.

For 3 out of 25 selections, the timesheet did not agree to the amounts recorded in E-time.

Criteria:

In accordance with 2 CFR §200.303: The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

In accordance with 2 CFR 200.430: (i) Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must: (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; (ii) Be incorporated into the official records of the non-Federal entity; (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities; (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy; (v) Comply with the established accounting policies and practices of the non-Federal entity; and (vi) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-018 (continued)

Criteria: (continued)

According to AM 413-610, Grant Documentation, Grant Manager/Program Manager/Director Conducts ongoing monitoring and control of all reimbursement receipts and deposits until grant ends; as well as all program and sub-recipient (when applicable) documentation, to include: (1). program documentation; (2). Timesheets, (3) deliverables, (4) activities; (5) vendor payments; (6) program data/charts/numbers; and (7) financial and compliance report.

According to AM 413-61, Grant Management Financial Reporting (AM 413.-61), Grant Manager/Program Manager/Director maintains all documentation, either electronic or hard copy, for all federally funded grants for the term of the grant for a minimum of seven years for review and audit by the granting agency or its designee.

Cause:

BCFD and BCHD did not follow documentation and retention requirements stated in AM 413-60 and AM 413-61.

Effect:

Unallowed payroll costs could be charged to the grant.

Questioned Costs:

Unknown.

Recommendation:

We recommend that BCFD and BCHD update its policies and procedures to include checklists that include steps to review and reconcile costs charged to the grant to ensure they are valid expenditures and such amounts charged reconcile to underlying activity, such activity was appropriately approved, that all relevant documentation is kept and accessible and provide training on documentation requirements. In addition, we recommend that BCFD and BCHD implement a formal review of personnel charged to the grant to ensure they are eligible employees to be charged to the grant.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-019

U.S. Department of Treasury

AL No. 21.019 Coronavirus Relief Fund (CARES)

Material Weakness over Subrecipient Monitoring

Repeat Finding: No

Condition:

For 1 out of 1 selection, we were not provided evidence that subrecipient monitoring was performed. BBMR management did not provide evidence that a risk assessment was performed. BBMR management did not provide evidence that monitoring of the subrecipients activities occurred.

Criteria:

In accordance with 2 CFR §200.303, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Pursuant to 31 USC 7502(f)(2) (Single Audit Act Amendments of 1996 (Pub. L. No. 104-156)), 2 CFR sections 200.330, .331, and .501(h), a pass-through entity must identify the award and applicable requirements, evaluate risk, monitor, and ensure accountability of subrecipients.

Cause:

At the time of the Single Audit, the subaward contract had not yet been finalized by BBMR.

Effect:

The subrecipient could not be in compliance with Uniform Guidance, therefore causing BBMR to not be in compliance with Uniform Guidance. BBMR management does not have proper controls in place to ensure that subrecipients are monitored in a timely manner, and as a result management would not be able to determine whether subrecipients were in compliance with applicable Federal requirements.

Questioned Costs:

Unknown.

Recommendation:

We recommend that BBMR establish and implement controls for the program and prepare and maintain a written plan to monitor its subrecipients. Additionally, we recommend that BBMR provides training on the new Uniform Guidance requirements related to subrecipient monitoring.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-019 (continued)

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-020

U.S. Environmental Protection Agency (EPA)

AL No. 66.458 Capitalization Grants for Clean Water State Revolving Funds

Material Weakness over Procurement and Suspension and Debarment

Repeat Finding: No

Condition:

For 1 out of 1 selection, Department of Public Works (DPW) management did not provide evidence that the City confirmed the vendor was not debarred, suspended, or otherwise excluded.

Criteria:

In accordance with 2 CFR §200.303, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

According to 2 CFR Part 180 and 5532, non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. “Covered transactions” include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction.

Cause:

The procurement and fiscal business units within DPW do not have a formalized process or procedure in place to ensure that contractors, subcontractors and individuals that enter into contractual agreements are not disbarred or suspended from doing business with the Federal government.

Effect:

DPW is not in compliance with the procurement and suspension and debarment requirement.

Questioned Costs:

Unknown.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-020 (continued)

Recommendation:

We recommend that DPW establish a process within its' procurement and/or fiscal business units, to review contractors, subcontractors and individuals against the General Services Administration System for Award Management (GSA-SAM) exclusion file to ensure the companies and/or individuals are not excluded from doing business with the Federal government For checking against GSA-SAM, two procedures could be followed: (1) the City's system can interface with Federal system and establish an automatic check, or (2) procurement can get access to Federal system, check the validity, print the screen, and document it in the City's system.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-021

U.S. Environmental Protection Agency (EPA)

AL No. 66.468 Capitalization Grants for Drinking Water State Revolving Funds

Material Weakness over Procurement and Suspension and Debarment

Repeat Finding: Yes – 2019-014

Condition:

For 1 out of 1 selection, DPW management did not provide evidence that the City confirmed the vendor was not debarred, suspended, or otherwise excluded.

Criteria:

In accordance with 2 CFR §200.303, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

According to 2 CFR Part 180 and 5532, non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. “Covered transactions” include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction.

Cause:

The procurement and fiscal business units within DPW do not have a formalized process or procedure in place to ensure that contractors, subcontractors and individuals that enter into contractual agreements are not disbarred or suspended from doing business with the Federal government.

Effect:

DPW is not in compliance with the procurement and suspension and debarment requirement.

Questioned Costs:

Unknown.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-021 (continued)

Recommendation:

We recommend that DPW establish a process within its' procurement and/or fiscal business units, to review contractors, subcontractors and individuals against the General Services Administration System for Award Management (GSA-SAM) exclusion file to ensure the companies and/or individuals are not excluded from doing business with the Federal government. For checking against GSA-SAM, two procedures could be followed: (1) the City's system can interface with Federal system and establish an automatic check, or (2) procurement can get access to Federal system, check the validity, print the screen, and document it in the City's system.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-022

U.S. Department of Health and Human Services

Aging Cluster

AL No. 93.044 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers

AL No. 93.045 Special Programs for the Aging, Title III, Part C, Nutrition Services

AL No. 93.053 Nutrition Services Incentive Program

Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principle (Payroll)

Repeat Finding: No

Condition:

For 6 of 25 selections, BCHD management was unable to provide timesheets and other applicable payroll documentation in order to validate compliance and internal controls over Activities Allowed and Allowable Costs/Cost Principles.

For 2 of 25 selections, the timesheets provided did not agree to the amount recorded as paid out in the HRIS.

Criteria:

In accordance with 2 CFR §200.303, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

In accordance with 2 CFR 200.430: (i) Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must: (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; (ii) Be incorporated into the official records of the non-Federal entity; (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities; (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy; (v) Comply with the established accounting policies and practices of the non-Federal entity; and (vi) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-022 (continued)

Criteria: (continued)

According to AM 413-60, Grant Documentation, Grant Manager/Program Manager/Director conducts ongoing monitoring and control of all reimbursement receipts and deposits until grant ends; as well as all program and sub-recipient (when applicable) documentation, to include: (1). program documentation; (2). timesheets, (3) deliverables, (4) activities; (5) vendor payments; (6) program data/charts/numbers; and (7) financial and compliance report.

According to AM 413-61, Grant Management Financial Reporting, Grant Manager/Program Manager/Director maintains all documentation, either electronic or hard copy, for all federally funded grants for the term of the grant for a minimum of seven years for review and audit by the granting agency or its designee.

Cause:

BCHD does not follow AM 413-60 and AM 413-61.

Effect:

Unallowed payroll costs could be charged to the grant.

Questioned Costs:

Unknown.

Recommendation:

We recommend that BCHD update its policies and procedures to include checklists that include steps to review and reconcile costs charged to the grant to ensure they are valid expenditures and such amounts charged reconcile to underlying activity, such activity was appropriately approved, that all relevant documentation is kept and accessible and provide training on documentation requirements. In addition, we recommend that BCHD implement a formal review of personnel charged to the grant to ensure they are eligible employees to be charged to the grant.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-023

U.S. Department of Health and Human Services

AL No. 93.767 Children's Health Insurance Program (CHIP)

**Material Weakness over Activities Allowed or Unallowed and Allowable Cost/Cost Principle
(Payroll)**

Repeat Finding: Yes – 2019-019

Condition:

For 3 out of 7 selections, timesheets or leave requests did not have supervisor approval. For 1 of the 7 selections, the amount recorded in the general ledger did not agree to the payment amount in HRIS system.

Criteria:

In accordance with 2 CFR §200.303: The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

In accordance with 2 CFR 200.430: (i) Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must: (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; (ii) Be incorporated into the official records of the non-Federal entity; (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities; (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy; (v) Comply with the established accounting policies and practices of the non-Federal entity; and (vi) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-023 (continued)

Criteria: (continued)

According to AM 413-60, Grant Documentation, Grant Manager/Program Manager/Director conducts ongoing monitoring and control of all reimbursement receipts and deposits until grant ends; as well as all program and sub-recipient (when applicable) documentation, to include: (1). program documentation; (2). timesheets, (3) deliverables, (4) activities; (5) vendor payments; (6) program data/charts/numbers; and (7) financial and compliance report.

According to AM 413-61, Grant Management Financial Reporting, Grant Manager/Program Manager/Director maintains all documentation, either electronic or hard copy, for all federally funded grants for the term of the grant for a minimum of seven years for review and audit by the granting agency or its designee.

Cause:

BCHD does not follow AM 413-60 and AM 413-61.

Effect:

Unallowed payroll costs could be charged to the grant.

Questioned Costs:

Unknown.

Recommendation:

We recommend that BCHD update its policies and procedures to include checklists that include steps to review and reconcile costs charged to the grant to ensure they are valid expenditures and such amounts charged reconcile to underlying activity and such activity was appropriately approved. In addition, we recommend that BCHD implement a formal review of personnel charged to the grant to ensure they are eligible employees to be charged to the grant.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-024

U.S. Department of Health and Human Services

AL No. 93.778 Medical Assistance Program (Medicaid; Title XIX)

Material Weakness over Activities Allowed or Unallowed and Allowable Cost/Cost Principle

Repeat Finding: Yes – 2019-028

Condition:

For 4 out of 25 BCHD management was unable to provide timesheets and other payroll documentation in order to validate compliance and internal controls over Activities Allowed and Allowable Costs/Cost Principles.

For 8 out of 25 BCHD management was unable to provide timesheets and other applicable payroll documentation that agreed to the amount recorded in e-time in order to validate compliance and internal controls over Activities Allowed and Allowable Costs/Cost Principles.

Criteria:

In accordance with 2 CFR §200.303, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

In accordance with 2 CFR 200.430: (i) Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must: (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; (ii) Be incorporated into the official records of the non-Federal entity; (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities; (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy; (v) Comply with the established accounting policies and practices of the non-Federal entity; and (vi) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-024 (continued)

Criteria: (continued)

According to AM 413-60, Grant Documentation, Grant Manager/Program Manager/Director conducts ongoing monitoring and control of all reimbursement receipts and deposits until grant ends; as well as all program and sub-recipient (when applicable) documentation, to include: (1). program documentation; (2). timesheets, (3) deliverables, (4) activities; (5) vendor payments; (6) program data/charts/numbers; and (7) financial and compliance report.

According to AM 413-61, Grant Management Financial Reporting, Grant Manager/Program Manager/Director maintains all documentation, either electronic or hard copy, for all federally funded grants for the term of the grant for a minimum of seven years for review and audit by the granting agency or its designee.

Cause:

BCHD does not follow AM 413-60 and AM 413-61.

Effect:

Unallowed payroll costs could be charged to the grant.

Questioned Costs:

Unknown.

Recommendation:

We recommend that BCHD update its policies and procedures to include checklists that include steps to review and reconcile costs charged to the grant to ensure they are valid expenditures and such amounts charged reconcile to underlying activity, such activity was appropriately approved, that all relevant documentation is kept and accessible and provide training on documentation requirements. In addition, we recommend that the BCHD implement a formal review of personnel charged to the grant to ensure they are eligible employees to be charged to the grant.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-025

U.S. Department of Health and Human Services

AL No. 93.778 Medical Assistance Program (Medicaid; Title XIX)

Material Weakness over Eligibility

Repeat Finding: Yes 2019-030

Condition:

BCHD management was unable to provide the support for the 25 selections of program participants for fiscal year 2020, therefore, we could not test to determine if participants were eligible.

Criteria:

In accordance with 2 CFR 200, Medicaid record keeping regulations at 42 CFR 435.914 and 431.17 also require states to include the basis of eligibility and facts to support the agency's decision on an application in each applicant's case record or electronic account, as well as require the maintenance of records that include facts essential to the determination of initial and continuing eligibility.

According to AM 413-60, Grant Documentation, Grant Manager/Program Manager/Director conducts ongoing monitoring and control of all reimbursement receipts and deposits until grant ends; as well as all program and sub-recipient (when applicable) documentation, to include: (1). program documentation; (2). timesheets, (3) deliverables, (4) activities; (5) vendor payments; (6) program data/charts/numbers; and (7) financial and compliance report.

According to AM 413-61, Grant Management Financial Reporting (AM 413.-61), Grant Manager/Program Manager/Director maintains all documentation, either electronic or hard copy, for all federally funded grants for the term of the grant for a minimum of seven years for review and audit by the granting agency or its designee.

Cause:

BCHD does not follow the AM 413-60 and 413-61 requirements.

Effect:

BCHD may not in compliance with the eligibility requirements of Uniform Guidance and documentation standards of AM 413-60 and 413-61.

Questioned Costs:

Unknown.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-025 (continued)

Recommendation:

We recommend that BCHD: (1) follow AM 413-60 and AM 413-61 for documentation and retention of the review and approval of eligibility criteria; and (2) provide training about procedures related to the documentation of eligibility evaluations.

Auditee Response and Corrective Action Plan:

BCHD Management disagrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-026

U.S. Department of Health and Human Services

AL No. 93.778 Medical Assistance Program (Medicaid; Title XIX)

Material Weakness over Period of Performance

Repeat Finding: No

Condition:

For 4 out of 25 selections, we noted that the service dates occurred outside of the period of performance.

Criteria:

In accordance with 2 CFR §200.303, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

According to 2 CFR section 200.309, a non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity.

Cause:

BCHD did not follow AM 413-60 and 413-61.

Effect:

BCHD may not be in compliance with the period of performance requirements, which can negatively affect the opportunity to receive future Federal funding.

Questioned Costs:

Unknown. The cost of the 4 exceptions totaled \$668,280.

Recommendation:

We recommend the BCHD establish and implement controls to ensure proper documentation is retained to support compliance with Uniform Guidance.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-027

U.S. Department of Health and Human Services

AL No. 93.778 Medical Assistance Program (Medicaid; Title XIX)

Material Weakness over Reporting

Repeat Finding: Yes – 2019-033

Condition:

For 2 out of 2 selections, BCHD was unable to provide expenditure details from the general ledger to substantiate the information reported in the expenditure report to the state was complete, accurate and prepared in accordance with required accounting basis.

Criteria:

In accordance with 2 CFR 200.303: Internal Control, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

In accordance with 2 CFR 200.302: Financial management. (a) Each State must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

BCHD did not reconcile information reported in the expenditure report to the state to the underlying records. Finance and BCHD use different parameters for running reports and neither department reconciled the records to the expenditure report to the state.

Effect:

BCHD could not support the expenditure report to the state, for the year ended June 30, 2020, as required and the expenditures reported to the Federal government could be inaccurate.

Questioned Costs:

Unknown.

Recommendation:

We recommend the BCHD establish and implement controls to maintain compliance with reporting requirements.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-027 (continued)

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditee Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-028

U.S. Department of Health and Human Services

AL No. 93.914 HIV Emergency Relief Project Grants

**Material Weakness over Activities Allowed or Unallowed and Allowable Cost/Cost Principle
(Payroll)**

Repeat Finding: No

Condition:

For 16 of 25 selections, BCHD management was unable to provide timesheets and other applicable payroll documentation in order to validate compliance and internal controls over Activities Allowed and Allowable Costs/Cost Principles.

For 2 of 25 selections the amounts recorded per timesheets did not agree to HRIS.

Criteria:

In accordance with 2 CFR 200.303: Internal Control, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

In accordance with 2 CFR 200.430: (i) Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must: (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; (ii) Be incorporated into the official records of the non-Federal entity; (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities; (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy; (v) Comply with the established accounting policies and practices of the non-Federal entity; and (vi) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

According to AM 413-60, Grant Documentation, Grant Manager/Program Manager/Director Conducts ongoing monitoring and control of all reimbursement receipts and deposits until grant ends; as well as all program and sub-recipient (when applicable) documentation, to include: (1). program documentation; (2). timesheets, (3) deliverables, (4) activities; (5) vendor payments; (6) program data/charts/numbers; and (7) financial and compliance report.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-028 (continued)

Criteria: (continued)

According to AM-61, Grant Management Financial Reporting, Grant Manager/Program Manager/Director maintains all documentation, either electronic or hard copy, for all federally funded grants for the term of the grant for a minimum of seven years for review and audit by the granting agency or its designee.

Cause:

BCHD did not follow AM 413-60 and AM 413-61.

Effect:

Unallowed payroll costs could be charged to the grant.

Questioned Costs:

Unknown.

Recommendation:

We recommend that BCHD update its policies and procedures to include checklists that include steps to review and reconcile costs charged to the grant to ensure they are valid expenditures and such amounts charged reconcile to underlying activity, such activity was appropriately approved, that all relevant documentation is kept and accessible and provide training on documentation requirements. In addition, we recommend that BCHD implement a formal review of personnel charged to the grant to ensure they are eligible employees to be charged to the grant.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditee Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-029

U.S. Department of Health and Human Services

AL No. 93.914 HIV Emergency Relief Project Grants

Material Weakness over Cash Management

Repeat Finding: No

Condition:

For 4 out of 4 selections, we were unable to agree the drawdown amount to the general ledger to ensure funds were being expended prior to requesting for reimbursement.

Criteria:

In accordance with 2 CFR 200.303: Internal Control, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

In accordance with 2 CFR 200.305, if unearned revenue balances are identified, balances must be consistent with the requirement to minimize the time between drawing and disbursing Federal funds. If advance payments are identified, verify that the non-Federal entity minimized the time elapsing between the transfer of funds from the U.S. Treasury or pass-through entity and disbursement by the non-Federal entity. Under the reimbursement method, ascertain if the entity paid for the costs for which reimbursement was requested prior to the date of the reimbursement request. When a program receives program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, or interest earned on such funds; ascertain if these funds were disbursed before requesting additional Federal cash draws. Review records to determine if interest in excess of \$500 per year was earned on Federal cash draws. If so, determine if it was remitted annually to the Department of Health and Human Services, Payment Management System.

According to AM 413-60, Grant Documentation, Grant Manager/Program Manager/Director Conducts ongoing monitoring and control of all reimbursement receipts and deposits until grant ends; as well as all program and sub-recipient (when applicable) documentation, to include: (1). program documentation; (2). timesheets, (3) deliverables, (4) activities; (5) vendor payments; (6) program data/charts/numbers; and (7) financial and compliance report.

According to AM 413-61, Grant Management Financial Reporting, Grant Manager/Program Manager/Director maintains all documentation, either electronic or hard copy, for all federally funded grants for the term of the grant for a minimum of seven years for review and audit by the granting agency or its designee.

Cause:

BCHD did not follow AM 413-60 and AM 413-61.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-029 (continued)

Effect:

BHCD is not in compliance with the cash management requirements, which can negatively affect the opportunity to receive future Federal funding.

Questioned Costs:

Unknown.

Recommendation:

We recommend BCHD to implement controls to maintain supporting documentation and ensure the reimbursement requests are consistently reconciled to the underlying accounting records.

Auditee Response and Corrective Action Plan:

Management disagrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-030

U.S. Department of Health and Human Services

AL No. 93.914 HIV Emergency Relief Project Grants

Material Weakness over Eligibility

Repeat Finding: No

Condition:

BCHD Management was unable to provide the documentation for 16 out of 25 program participants for fiscal year 2020, therefore, we could not test to determine if participants were eligible.

Criteria:

In accordance with 2 CFR 200.303: Internal Control, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

In accordance with 2 CFR 200, record keeping regulations at 42 CFR 435.914 and 431.17 also require states to include the basis of eligibility and facts to support the agency's decision on an application in each applicant's case record or electronic account, as well as require the maintenance of records that include facts essential to the determination of initial and continuing eligibility.

According to AM 413-60, Grant Documentation, Grant Manager/Program Manager/Director Conducts ongoing monitoring and control of all reimbursement receipts and deposits until grant ends; as well as all program and sub-recipient (when applicable) documentation, to include: (1). program documentation; (2). timesheets, (3) deliverables, (4) activities; (5) vendor payments; (6) program data/charts/numbers; and (7) financial and compliance report.

According to AM 413-61, Grant Management Financial Reporting (AM 413.-61), Grant Manager/Program Manager/Director maintains all documentation, either electronic or hard copy, for all federally funded grants for the term of the grant for a minimum of seven years for review and audit by the granting agency or its designee.

Cause:

BCHD does not follow the AM 413-60 and 413-61 requirements.

Effect:

BCHD may not in compliance with the documentation standards of Uniform Guidance and AM 413-60 and 413-61.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-030 (continued)

Questioned Costs:

None.

Recommendation:

We recommend that BCHD: (1) follow AM 413-60 and 413-61 for documentation and retention of the review and approval of eligibility criteria; and (2) provide training about procedures related to the documentation of eligibility evaluations.

Questioned Costs:

Unknown.

Recommendation:

We recommend that the agency provide training about procedures related to the documentation of eligibility evaluations.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-031

U.S. Department of Health and Human Services

AL No. 93.914 HIV Emergency Relief Project Grants

Material Weakness over Subrecipient Monitoring

Repeat Finding: No

Condition:

For 2 out of 2 selection, we were not provided evidence that subrecipient monitoring was performed by BCHD. We did not see that a risk assessment of the subrecipient was performed.

Criteria:

In accordance with 2 CFR 200.303: Internal Control, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Pursuant to 31 USC 7502(f)(2) (Single Audit Act Amendments of 1996 (Pub. L. No. 104-156)), 2 CFR sections 200.330, .331, and .501(h), a pass-through entity must identify the award and applicable requirements, evaluate risk, monitor, and ensure accountability of subrecipients.

Cause:

BCHD was unaware of the requirement included in Uniform Guidance related to procedures required for subrecipient monitoring.

Effect:

The subrecipient could not be in compliance with Uniform Guidance, therefore causing BCHD to not be in compliance with Uniform Guidance. BCHD management does not have proper controls in place to ensure that subrecipients are monitored in a timely manner, and as a result management would not be able to determine whether subrecipients were in compliance with applicable Federal requirements.

Questioned Costs:

Unknown.

Recommendation:

We recommend that BCHD establish and implement controls for the program and prepare and maintain a written plan to monitor its subrecipients. Additionally, we recommend that BCHD provides training on the Uniform Guidance requirements related to subrecipient monitoring.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-031 (continued)

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-032

U.S. Department of Health and Human Services

AL No. 93.940 HIV Prevention Activities Health Department Based

**Material Weakness over Activities Allowed or Unallowed and Allowable Cost/Cost Principle
(Payroll)**

Repeat Finding: No

Condition:

For 3 of 25 selections, BCHD management was unable to provide timesheets and other applicable payroll documentation in order to validate compliance and internal controls over Activities Allowed and Allowable Costs/Cost Principles.

For 13 of 25 selections, BCHD management was unable to provide all applicable payroll documentation in order to validate approval of overtime or leave reported into the payroll system and validate compliance and internal controls over Activities Allowed and Allowable Costs/Cost Principles.

Criteria:

In accordance with 2 CFR 200.303: Internal Control, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

In accordance with 2 CFR 200.430: (i) Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must: (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; (ii) Be incorporated into the official records of the non-Federal entity; (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities; (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy; (v) Comply with the established accounting policies and practices of the non-Federal entity; and (vi) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-032 (continued)

Criteria: (continued)

According to AM 413-60, Grant Documentation, Grant Manager/Program Manager/Director Conducts ongoing monitoring and control of all reimbursement receipts and deposits until grant ends; as well as all program and sub-recipient (when applicable) documentation, to include: (1). program documentation; (2). timesheets, (3) deliverables, (4) activities; (5) vendor payments; (6) program data/charts/numbers; and (7) financial and compliance report.

According to AM 413-61, Grant Management Financial Reporting, Grant Manager/Program Manager/Director maintains all documentation, either electronic or hard copy, for all federally funded grants for the term of the grant for a minimum of seven years for review and audit by the granting agency or its designee.

Cause:

BCHD did not follow AM 413-60 and AM 413-61.

Effect:

Unallowed payroll costs could be charged to the grant.

Questioned Costs:

Unknown.

Recommendation:

We recommend that BCHD update its policies and procedures to include checklists that include steps to review and reconcile costs charged to the grant to ensure they are valid expenditures and such amounts charged reconcile to underlying activity, such activity was appropriately approved, that all relevant documentation is kept and accessible and provide training on documentation requirements. In addition, we recommend that the BCHD implement a formal review of personnel charged to the grant to ensure they are eligible employees to be charged to the grant.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-033

U.S. Department of Health and Human Services

AL No. 93.940 HIV Prevention Activities Health Department Based

Material Weakness over Cash Management

Repeat Finding: Yes – 2019-036

Condition:

For 3 out of 3 selections, we were unable to agree the drawdown amount to the general ledger to ensure funds were being expended prior to requesting for reimbursement.

Criteria:

In accordance with 2 CFR 200.305, if unearned revenue balances are identified, balances must be consistent with the requirement to minimize the time between drawing and disbursing Federal funds. If advance payments are identified, verify that the non-Federal entity minimized the time elapsing between the transfer of funds from the U.S. Treasury or pass-through entity and disbursement by the non-Federal entity. Under the reimbursement method, ascertain if the entity paid for the costs for which reimbursement was requested prior to the date of the reimbursement request. When a program receives program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, or interest earned on such funds; ascertain if these funds were disbursed before requesting additional Federal cash draws. Review records to determine if interest in excess of \$500 per year was earned on Federal cash draws. If so, determine if it was remitted annually to the Department of Health and Human Services, Payment Management System.

According to AM 413-60, Grant Documentation, Grant Manager/Program Manager/Director Conducts ongoing monitoring and control of all reimbursement receipts and deposits until grant ends; as well as all program and sub-recipient (when applicable) documentation, to include: (1). program documentation; (2). timesheets, (3) deliverables, (4) activities; (5) vendor payments; (6) program data/charts/numbers; and (7) financial and compliance report.

According to AM 413-61, Grant Management Financial Reporting (AM 413.-61), Grant Manager/Program Manager/Director maintains all documentation, either electronic or hard copy, for all federally funded grants for the term of the grant for a minimum of seven years for review and audit by the granting agency or its designee.

Cause:

BCHD did not follow AM 413-60 and 413-61.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-033 (continued)

Effect:

The BCHD is not in compliance with the cash management requirement for Uniform Guidance, which can negatively affect the opportunity to receive future Federal funding.

Questioned Costs:

Unknown.

Recommendation:

We recommend BCHD to implement policies, procedures, and controls to ensure proper maintenance of supporting documentation and ensure the reimbursement requests are consistently reconciled to the underlying accounting records.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Finding 2020-034

**U.S. Department of Health and Human Services
AL No. 93.940 HIV Prevention Activities Health Department Based**

Control Deficiency over Period of Performance

Repeat Finding: Yes – 2019-037

Condition:

For 3 out of 40 selections, we noted that the service dates occurred outside of the period of performance.

Criteria:

In accordance with 2 CFR §200.303, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

According to 2 CFR section 200.309, a non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity.

Cause:

Expenses were incurred outside the allowable period of performance because BCHD did not effectively review to ensure costs were not recorded to the grant that were incurred outside of the period of performance.

Effect:

BCHD is not in compliance with the period of performance requirements, which can negatively affect the opportunity to receive future Federal funding.

Questioned Costs:

Unknown. The cost of the 3 exceptions totaled \$983,309.

Recommendation:

We recommend the BCHD establish and implement controls including checklists, monitoring procedures, and documentation of discussions with grantors to ensure only costs within a period of performance are charged to a grant to allow only costs within a period of performance to be charged to a grant and ensure adequate reviews are in place to monitor the control.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-034 (continued)

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-035

**U.S. Department of Health and Human Services
AL No. 93.940 HIV Prevention Activities Health Department Based**

**Material Weakness over Procurement and Suspension and Debarment
Repeat Finding: Yes – 2019-038**

Condition:

For 5 out of 5 selections, the BCHD management did not provide evidence that it was in compliance with suspension and debarment requirements.

Criteria:

In accordance with 2 CFR §200.303, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

According to 2 CFR Part 180 and 5532, non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. “Covered transactions” include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction.

Cause:

The procurement and fiscal business units within BCHD do not have a formalized process or procedure in place to ensure that contractors, subcontractors and individuals that enter into contractual agreements are not disbarred or suspended from doing business with the Federal government.

Effect:

BCHD is not in compliance with the procurement and suspension and debarment requirement.

Questioned Costs:

Unknown.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-035 (continued)

Recommendation:

We recommend that BCHD establish a process within its' procurement and/or fiscal business units, to review contractors, subcontractors and individuals against the General Services Administration System for Award Management (GSA-SAM) exclusion file to ensure the companies and/or individuals are not excluded from doing business with the Federal government. For checking against GSA-SAM, two procedures could be followed: (1) the City's system can interface with Federal system and establish an automatic check, or (2) procurement can get access to Federal system, check the validity, print the screen, and document it in the City's system.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-036

**U.S. Department of Health and Human Services
AL No. 93.940 HIV Prevention Activities Health Department Based**

Material Weakness over Reporting

Repeat Finding: Yes – 2019-039

Condition:

For 8 out of 8 selections, we were unable to agree the amounts in the reports to the amounts recorded in the general ledger in order to validate compliance and internal controls over the reporting requirements under Uniform Guidance.

Criteria:

In accordance with 2 CFR §200.303, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

In accordance with 2 CFR 200.302: Financial management. (a) Each State must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

BCHD did not reconcile information reported in the expenditure report to the state to the underlying records. Finance and BCCHD use different parameters for running reports and neither department reconciled the other reporting completed.

Effect:

BCCHD could not support the expenditure report to the state, for the year ended June 30, 2020, as required by the State and the expenditures reported to the Federal government could be inaccurate.

Questioned Costs:

None.

Recommendation:

We recommend the BCCHD establish and implement controls to maintain compliance with reporting requirements.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-036 (continued)

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-037

**U.S. Department of Health and Human Services
AL No. 93.940 HIV Prevention Activities Health Department Based**

Material Weakness over Subrecipient Monitoring

Repeat Finding: Yes – 2019-040

Condition:

For 4 out of 4 selections BCHD was not able to provide documentation that the risk assessment or any further subrecipient monitoring was performed to validate they were in compliance with Uniform Guidance.

Criteria:

In accordance with 2 CFR §200.303, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Pursuant to 31 USC 7502(f)(2) (Single Audit Act Amendments of 1996 (Pub. L. No. 104-156)), 2 CFR sections 200.330, .331, and .501(h), a pass-through entity must identify the award and applicable requirements, evaluate risk, monitor, and ensure accountability of for-profit subrecipients.

Cause:

BCHD did not have controls in place to retain documentation to support their compliance with the subrecipient monitoring requirements in accordance with Uniform Guidance.

Effect:

The subrecipient could not be in compliance with Uniform Guidance, therefore causing BCHD to not be in compliance with Uniform Guidance. BCHD management does not have proper controls in place to ensure that subrecipients are monitored in a timely manner, and as a result management would not be able to determine whether subrecipients were in compliance with applicable Federal requirements.

Questioned Costs:

Unknown.

Recommendation:

We recommend that MOHS establish and implement controls for the program and prepare and maintain a written plan to monitor its subrecipients. Additionally, we recommend that MOHS provides training on the new Uniform Guidance requirements related to subrecipient monitoring.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-037 (continued)

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-038

U.S. Department of Health and Human Services

AL No. 93.994 Maternal and Child Health Services Block Grant to the States

Material Weakness over Activities Allowed or Unallowed and Allowable Cost/Cost Principle

Repeat Finding: Yes – 2019-041

Condition:

For 11 out of 25 selections, BCHD management was unable to provide timesheets and other applicable payroll documentation in order to validate compliance and internal controls over Activities Allowed and Allowable Costs/Cost Principles.

Criteria:

In accordance with 2 CFR §200.303, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

In accordance with 2 CFR 200.430: (i) Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must: (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; (ii) Be incorporated into the official records of the non-Federal entity; (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities; (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy; (v) Comply with the established accounting policies and practices of the non-Federal entity; and (vi) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

According to AM 413-60, Grant Documentation, Grant Manager/Program Manager/Director Conducts ongoing monitoring and control of all reimbursement receipts and deposits until grant ends; as well as all program and sub-recipient (when applicable) documentation, to include: (1). program documentation; (2). timesheets, (3) deliverables, (4) activities; (5) vendor payments; (6) program data/charts/numbers; and (7) financial and compliance report.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-038 (continued)

Criteria: (continued)

According to AM 413-61, Grant Management Financial Reporting, Grant Manager/Program Manager/Director maintains all documentation, either electronic or hard copy, for all federally funded grants for the term of the grant for a minimum of seven years for review and audit by the granting agency or its designee.

Cause:

BCHD did not follow AM 413-60 and AM 413-61.

Effect:

Unallowed payroll costs could be charged to the grant.

Questioned Costs:

Unknown.

Recommendation:

We recommend that BCHD update its policies and procedures to include checklists that include steps to review and reconcile costs charged to the grant to ensure they are valid expenditures and such amounts charged reconcile to underlying activity, such activity was appropriately approved, that all relevant documentation is kept and accessible and provide training on documentation requirements. In addition, we recommend that the BCHD implement a formal review of personnel charged to the grant to ensure they are eligible employees to be charged to the grant.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-039

U.S. Department of Health and Human Services

AL No. 93.994 Maternal and Child Health Services Block Grant to the States

Material Weakness over Cash Management

Repeat Finding: Yes – 2019-042

Condition:

For 7 out of 9 selections, we were unable to agree the drawdown amount to the general ledger to ensure funds were being expended prior to requesting for reimbursement.

Criteria:

In accordance with 2 CFR §200.303, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

In accordance with 2 CFR 200.305, if unearned revenue balances are identified, balances must be consistent with the requirement to minimize the time between drawing and disbursing Federal funds. If advance payments are identified, verify that the non-Federal entity minimized the time elapsing between the transfer of funds from the U.S. Treasury or pass-through entity and disbursement by the non-Federal entity. Under the reimbursement method, ascertain if the entity paid for the costs for which reimbursement was requested prior to the date of the reimbursement request. When a program receives program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, or interest earned on such funds; ascertain if these funds were disbursed before requesting additional Federal cash draws. Review records to determine if interest in excess of \$500 per year was earned on Federal cash draws. If so, determine if it was remitted annually to the Department of Health and Human Services, Payment Management System.

According to AM 413-60, Grant Documentation, Grant Manager/Program Manager/Director Conducts ongoing monitoring and control of all reimbursement receipts and deposits until grant ends; as well as all program and sub-recipient (when applicable) documentation, to include: (1). program documentation; (2). timesheets, (3) deliverables, (4) activities; (5) vendor payments; (6) program data/charts/numbers; and (7) financial and compliance report.

Cause:

BCHD did not follow AM 413-60.

Effect:

BCHD is not in compliance with the cash management requirement for Uniform Guidance, which can negatively affect the opportunity to receive future Federal funding.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-039 (continued)

Questioned Costs:

Unknown.

Recommendation:

We recommend BCHD to implement policies, procedures, and controls to ensure proper maintenance of supporting documentation and ensure the reimbursement requests are consistently reconciled to the underlying accounting records.

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-040

U.S. Department of Health and Human Services

AL No. 93.994 Maternal and Child Health Services Block Grant to the States

Significant Deficiency in Compliance and Internal Control over Period of Performance

Repeat Finding: Yes – 2019-043

Condition:

For 5 out of 25 selections there were nonpayroll expenditures that were charged outside the period of performance.

Criteria:

In accordance with 2 CFR §200.303, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

According to 2 CFR section 200.309, a non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity.

Cause:

Expenses were incurred outside the allowable period of performance because BCHD did not effectively review to ensure costs were not recorded to the grant that were incurred outside of the period of performance.

Effect:

BCHD is not in compliance with the period of performance requirements, which can negatively affect the opportunity to receive future Federal funding.

Questioned Costs:

Unknown. The cost of the 5 exceptions totaled \$234,175.

Recommendation:

We recommend the BCHD establish and implement controls including checklists, monitoring procedures, and documentation of discussions with grantors to ensure only costs within a period of performance are charged to a grant to allow only costs within a period of performance to be charged to a grant and ensure adequate reviews are in place to monitor the control.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-040 (continued)

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Finding 2020-041

U.S. Department of Health and Human Services

AL No. 93.994 Maternal and Child Health Services Block Grant to the States

Material Weakness over Reporting

Repeat Finding: Yes – 2019-044

Condition:

For 3 out of 3 selections, we were unable to agree the amounts in the reports to the amounts recorded in the general ledger in order to validate compliance and internal controls over the reporting requirements under Uniform Guidance.

Criteria:

In accordance with 2 CFR §200.303, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

In accordance with 2 CFR 200.302: Financial management. (a) Each State must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

Cause:

BCHD did not reconcile information reported in the expenditure report to the state to the underlying records. Finance and BCHD use different parameters for running reports and neither department reconciled the other reporting completed.

Effect:

BCHD could not support the expenditure report to the state, for the year ended June 30, 2020, as required by the State and the expenditures reported to the Federal government could be inaccurate.

Questioned Costs:

None

Recommendation:

We recommend the BCHD establish and implement controls to maintain compliance with reporting requirements.

Finding 2020-041(continued)

CITY OF BALTIMORE

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Auditee Response and Corrective Action Plan:

Management agrees with the finding. Refer to the corrective action plan on current findings in Part V of this report.

Auditor's Conclusion:

Finding remains as stated.

SECTION IV – SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

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CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2019**

Finding 2019-001

Programs: All

Material Weakness over Grant Accounting Function

Repeat Finding: Yes – 2018-001

Condition:

Due to lack of formal procedures and accountability at various departments, the City is not able to establish accurate balances of grant accounts receivable and grant deferred revenue accounts. There is a lack of communication between the departments that receive grants and the Baltimore City Department of Finance (Finance) that consolidates information received from the various departments and uses it to assemble financial statements. Grant revenues and expenditures are often allocated to incorrect general ledger accounts which could result in overcharging certain grant accounts, overstating deferred revenues for other grant accounts, and improper billings of certain grants.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

Summary Schedule of Prior Year Findings Year Ended June 30, 2019

Finding 2019-002

Programs: All

Material Weakness over Financial Reporting

Repeat Finding: Yes – 2018-002

Condition:

Finance reports financial information based on the information provided and maintained by various departments that process property tax activities, water and sewer activities, capital asset activity, and internal fund balance/transfer activity. Finance does not have the authority to enforce timely preparation and reconciliation of activity and account balances from departments. The City's general ledger software, City Dynamics, makes it difficult to properly track property tax receivables, water billings, capital assets, and certain internal fund balances. Finance does not have staff dedicated to review these transactions throughout the year and rather relies on department personnel to process transactions and Finance performs post-closing reviews of such balances and related activity. Due to the voluminous amount of activity in these accounts, it is difficult to perform a thorough post-closing review and detect all material errors. Additionally, because of the number of errors detected, information provided throughout the year may be materially incorrect.

Finance does not have the staff or resources to conduct a thorough review of the transactions that underlie and support the financial statements. In addition, the City does not have adequate financial reporting software that can generate financial statements for a governmental entity and requires significant manual manipulation of data to create the financial statements.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2019**

Finding 2019-003

Programs: All

Material Weakness over Payroll Timekeeping Function

Repeat Finding: Yes – 2018-003

Condition:

Various departments within the City are responsible for proper timekeeping and storage of timekeeping information. The City does not have a system that ensures proper approval and storage of timekeeping information among different departments. In addition, the timekeeping system that is currently used by some departments does not have the capability to maintain timekeeping records to support the time charged to programs within the compliance guidelines of Federal agencies and certain union agreements of the City.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2019**

Finding 2019-004

Material Weakness over Water and Wastewater Billing Function

Repeat Finding: Yes – 2018-004

Condition:

Department of Public Works (DPW) is responsible for accurate and timely billing for water and wastewater utilities. In fiscal year 2017, the City changed its billing rate model and implemented a new UMAX billing system for billing of City residents. Due to poor training with the new system, a significant number of accounts have not been billed since the system has been implemented and a significant number of accounts have been billed inconsistently. The Bureau of Payroll and Accounting Services with the help of DPW had to make an estimate of revenue earned in fiscal year 2020 and not billed.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2019**

Finding 2019-005

Material Weakness over Fixed Assets Accounting

Repeat Finding: Yes – 2018-005

Condition:

An error was made in the calculation of depreciation. The City has to manually identify and calculate fixed asset additions.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2019**

Finding 2019-006

Material Weakness over Information Technology Security

Repeat Finding: **No**

Condition:

During fiscal year 2019, the City fell victim to a breach in its information technology (IT) security by hackers with a strain of ransomware.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2019**

Finding 2019-007

Programs: All

**Material Weakness over Schedule of Expenditures of Federal Awards (the Schedule)
Reporting**

Repeat Finding: Yes – 2018-006

Condition:

During our fiscal year 2019 audit, we noted the detail expenditure information in the accounting software differed from the expenditures reported by various City departments. We were not able to determine if the Federal expenditures and subrecipient payments for all grants from the City was complete. The amount passed through to subrecipients had to be updated for certain grants.

Finance is responsible for preparing the Schedule based upon grant information obtained from the financial accounting records and other information provided by each department or agency. Per discussion with Finance, we became aware that grant information and documents are not maintained by Finance. Grant documents are necessary for Finance to obtain required information for the Schedule, such as AL titles and numbers, pass through identification information and subrecipient information.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2019**

Finding 2019-008

U.S. Department of Housing and Urban Development (HUD)

AL No. 14.239 Home Investment Partnership Program (HOME)

Significant Deficiency in Compliance and Internal Control over Eligibility

Repeat Finding: Yes – 2018-008

Condition:

For 14 out of 60 selections, the participant's annual income reported in the Baltimore City Health Department internal tracking report did not match what was calculated on the application. The participants would still be considered eligible based on both annual incomes reported, but the inaccurate annual income data reported in the internal tracking report could affect management oversight of the program.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2019**

Finding 2019-009

**U.S. Department of Housing and Urban Development (HUD)
AL No. 14.239 Home Investment Partnership Program (HOME)**

Material Weakness over Loans and Loan Guarantees

Repeat: Yes 2018-010

Condition:

The City was unaware of the requirements to track loans and loan guarantees and therefore did not disclose the balances and activity in the Schedule and/or footnotes in the current and prior reporting periods.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2019**

Finding 2019-010

U.S. Department of Labor

WIOA Cluster

AL No. 17.258 Adult Program

AL No. 17.259 Youth Activities

AL No. 17.278 Dislocated Worker Formula Grants

Internal Control Deficiency over Subrecipient Monitoring

Repeat Finding: No

Condition:

For 1 out of 4 selections, management was unable to provide evidence that subrecipient monitoring was performed by the City. We did not see that risk was assessed of noncompliance against allowable costs, eligibility, period of performance, and equipment compliance requirements. We also did not note the unique identifier, Federal Award Identification Number (FAIN), and AL on the subaward agreement. The subrecipient of this award received \$74 thousand of the approximately \$5.4 million expended by the program in fiscal year 2019.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2019**

Finding 2019-011

U.S. Department of Transportation

Highway Planning and Construction Cluster

AL No. 20.205 Highway Planning and Construction (Federal-Aid Highway Program)

Significant Deficiency in Compliance and Internal Control over Activities Allowed or Unallowed and Allowable Costs/Cost Principle (Payroll)

Repeat Finding: No

Condition:

For 3 out of 40 payroll selections, we were not able to verify the allowable cost as support was not provided.

For 9 out of 40 payroll selections, we noted that the supervisor signed off on the timesheet prior to the end of the payroll period.

For 1 out of 40 payroll selections, the number of hours charged to the federal project did not agree to the number of hours recorded on the bi-weekly timesheet.

For 1 out of 40 payroll selections, the hours per timesheet do not agree to the time detail.

For 1 out of 40 payroll selections, we noted the biweekly timesheet was not approved by a supervisor.

For 8 out of 40 payroll selections, the rate paid per electronic payroll system did not agree to the accounting records.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2019**

Finding 2019-012

U.S. Department of Transportation

Highway Planning and Construction Cluster

AL No. 20.205 Highway Planning and Construction (Federal-Aid Highway Program)

Material Weakness over Special Test – Wage Rate Requirements

Repeat Finding: Yes – 2018-013

Condition:

For 5 out of 32 pay periods selected consisting of 8 projects, we were unable to verify if the certified payroll was checked and signed by DOT personnel for accuracy as no support was provided.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2019**

Finding 2019-013

U.S. Department of Transportation

Highway Planning and Construction Cluster

AL No. 20.205 Highway Planning and Construction (Federal-Aid Highway Program)

Internal Control Deficiency over Special Test – Quality Assurance Program

Repeat Finding: No

Condition:

For 1 out of 8 selections, we were unable to verify if the City was in compliance with a quality assurance program as no support was provided.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2019**

Finding 2019-014

U.S. Environmental Protection Agency (EPA)

AL No. 66.468 Capitalization Grants for Drinking Water State Revolving Funds

Material Weakness over Procurement and Suspension and Debarment

Repeat Finding: Yes – 2018-020

Condition:

For 3 out of 3 selections, management did not provide evidence that the City confirmed the vendor was not debarred, suspended, or otherwise excluded.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-015

U.S. Environmental Protection Agency (EPA)

AL No. 66.468 Capitalization Grants for Drinking Water State Revolving Funds

Material Weakness over Loans and Loan Guarantees

Repeat Finding: Yes – 2018-022

Condition:

The City was unaware of the requirements to track loans and loan guarantees and therefore did not disclose the balances and activity in the Schedule and/or footnotes in the current and prior reporting periods.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-016

U.S. Department of Health and Human Services

AL No. 93.569 Community Services Block Grant

**Material Weakness over Activities Allowed or Unallowed and Allowable Cost/Cost Principle
Repeat Finding: No**

Condition:

For 1 out of 40 payroll selections, we did not receive support to test that payroll charges to the program were for actual time and effort spent on the grant.

For 2 out of 40 payroll selections, the documentation shown in the time sheets does not agree to the time documented in E -time.

For 2 out of 40 payroll selections, approved documentation was not provided for the exception or overtime earned or used.

For 1 out of 40 payroll selections, the employee used 1 hour of sick time but was paid for 8 hours of regular time and an additional 1 hour of sick time. The employee should have only been paid for 7 hours of regular time.
active and correct City employees.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-017

U.S. Department of Health and Human Services

AL No. 93.569 Community Services Block Grant

Material Weakness over Eligibility

Repeat Finding: No

Condition:

In a preliminary meeting we were informed that there were several hundred participants active in the program during fiscal year 2019. Upon receipt of the population file, we noted there were only 9 participants being tracked during the year. During our testing, we noted the City did not have a system in place to track participants as evidenced by receipt of a population file that only had 9 participants for fiscal year 2019.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-018

U.S. Department of Health and Human Services

AL No. 93.600 Head Start

**Internal Control Deficiency over Activities Allowed or Unallowed and Allowable Cost/Cost
Principle (Payroll)**

Repeat Finding: Yes – 2018-036

Condition:

For 1 out of 40 selections, no documentation was provided for the approval of leave.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-019

U.S. Department of Health and Human Services

AL No. 93.767 Children's Health Insurance Program (CHIP)

**Material Weakness over Activities Allowed or Unallowed and Allowable Cost/Cost Principle
Repeat Finding: Yes – 2018-025**

Condition:

For 1 out of 9 non-payroll selections, the expenditure was not in the approved budget as an allowed expenditure.

For 5 out of 33 payroll selections, Baltimore City Health Department (BCHD) did not provide evidence that documentation for leave time taken.

For 1 out of 33 payroll selections, BCHD provided a timesheet without evidence of supervisor approval.

For 1 out of 33 payroll selections, we did not receive support to test that payroll charges to the program were for actual time and effort spent on the grant.

2020 Status:

Finding remains as stated.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-020

U.S. Department of Health and Human Services

AL No. 93.767 Children's Health Insurance Program (CHIP)

Material Weakness over Cash Management

Repeat Finding: Yes – 2018-026

Condition:

For 8 out of 8 selections, we were unable to agree the drawdown amount to the general ledger to ensure funds were being expended prior to requesting for reimbursement.

For 2 out of 8 the amount billed to the grant exceeded the amount recorded in the general ledger. For 6 of the 8, the amount billed to grant were less than the amount recorded in the general ledger.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-021

U.S. Department of Health and Human Services

AL No. 93.767 Children's Health Insurance Program (CHIP)

Material Weakness over Subrecipient Monitoring

Repeat Finding: Yes – 2018-029

Condition:

For 1 out of 1 selection, we were not provided evidence that subrecipient monitoring was performed by BCHD. We did not see that risk was assessed of noncompliance against allowable costs, eligibility, period of performance, and equipment compliance requirements. Without monitoring support, we were unable to identify if a corrective action plan was needed for the subrecipient.

We also noted on the subaward contract that the FAIN was not identified, and that the AL number identified was for another program.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-022

U.S. Department of Health and Human Services

AL No. 93.917 HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)

**Material Weakness in Activities Allowed or Unallowed and Allowable Costs/Cost Principle
Repeat Finding: No**

Condition:

For 5 out of 60 payroll selections, the City did not provide general ledger support detailing personnel that were charged to the grant.

For 11 out of 60 payroll selections, the City did not provide evidence that charges to the grant were approved by supervisory personnel.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-023

U.S. Department of Health and Human Services

AL No 93.917 HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)

Material Weakness over Cash Management

Repeat Finding: Yes – 2018-026

Condition:

For 1 out of 1 selection, we were unable to agree the drawdown amount to the general ledger to ensure funds were being expended prior to requesting for reimbursement. The amount per the general ledger exceeded the amount requested for reimbursement.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-024

U.S. Department of Health and Human Services

**AL No. 93.917 HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)
Pass-through: Maryland Department of Health**

Material Weakness over Eligibility

Repeat Finding: Yes – 2018-030

Condition:

For 7 out of 60 selections, the support provided was not sufficient to confirm the participants fulfilled all requirements to be eligible to receive services.

For 9 out of 60 selections, support was not provided to confirm the participants were eligible. Required support includes a confirmed HIV diagnosis, support confirming they are low income, resident of the State, and uninsured or underinsured.

For 1 out of 60 selections, the documentation provided did not support that the participant was eligible in accordance with the income requirements.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-025

U.S. Department of Health and Human Services

AL No. 93.917 HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)
Pass-through: Maryland Department of Health

Material Weakness over Period of Performance

Repeat Finding: Yes – 2018 - 031

Condition:

For 10 out of 11 selections, the service occurred during fiscal year 2018; however, the expense was incorrectly recorded by BCHD to the fiscal year 2019 grant project code. This is not in compliance with the period of performance requirements.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-026

U.S. Department of Health and Human Services

**AL No. 93.917 HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)
Pass-through: Maryland Department of Health**

Material Weakness over Reporting

Repeat Finding: Yes– 2018 - 033

Condition:

For 1 out of 1 selection, we were unable to agree the expenditures reported in the expenditure report to the state to the amount recorded in the general ledger.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-027

U.S. Department of Health and Human Services

**AL No. 93.917 HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)
Pass-through: Maryland Department of Health**

Material Weakness over Subrecipient Monitoring

Repeat Finding: Yes– 2018 - 034

Condition:

For 3 out of 3 selections, we did not see evidence that subrecipient monitoring was performed. We did not see that risk was assessed of noncompliance against allowable costs, eligibility, period of performance, and equipment compliance requirements. Without monitoring support, we were unable to identify if a corrective action plan was needed for the subrecipient. We also did not note the FAIN identified on the subaward agreements.

For 1 of the 3 selections, over \$750,000 was awarded and there was no documentation provided by the Department that a review of the Single Audit was performed.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-028

U.S. Department of Health and Human Services

AL No. 93.778 Medical Assistance Program (Medicaid; Title XIX)

**Material Weakness over Activities Allowed or Unallowed and Allowable Cost/Cost Principle
Repeat Finding: Yes– 2018 - 037**

Condition:

For 4 out of 60 non-payroll selections, we were unable to verify the allowable cost because no evidence was provided to determine the services and authorizations of services received.

For 1 out of 60 non-payroll selections, documentation of approval of the payment was not provided.

For 17 out of 40 payroll selections, we were unable to verify the allowable cost because Finance and BCHD were unable to provide the payroll general ledger detail.

For 2 out of 40 payroll selections, the timesheet documentation provided did not reconcile to the amounts recorded in the payroll system.

For 1 out of 40 payroll selections, the timesheet documentation provided did not show evidence of supervisor approval.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-029

U.S. Department of Health and Human Services

AL No. 93.778 Medical Assistance Program (Medicaid; Title XIX)

Material Weakness over Cash Management

Repeat Finding: Yes – 2018-038

Condition:

For 8 out of 8 selections, we were unable to agree the drawdown amount to the general ledger to ensure funds were being expended prior to requesting for reimbursement.

For 4 out of 8 selections, the amounts billed to the grant exceeded the amount recorded in the general ledger. For 4 of the 8 selections, the amount billed to grant were less than the amount recorded in the general ledger.

For 2 out of 8 selections, BCHD did not provide documentation of the report transmittal letter to determine the timing and approval of the draw request.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-030

U.S. Department of Health and Human Services

AL No. 93.778 Medical Assistance Program (Medicaid; Title XIX)

Material Weakness over Eligibility

Repeat Finding: Yes – 2018-039

Condition:

For 25 out of 60 selections, support was not provided to confirm if the participant was eligible for services.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-031

U.S. Department of Health and Human Services

AL No. 93.778 Medical Assistance Program (Medicaid; Title XIX)

Material Weakness over Period of Performance

Repeat Finding: Yes – 2018-040

Condition:

For 26 out of 60 selections, no supporting documentation was provided by BCHD to confirm if the beneficiary was eligible at the date of service.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-032

U.S. Department of Health and Human Services

AL No. 93.778 Medical Assistance Program (Medicaid; Title XIX)

Material Weakness over Procurement and Suspension and Debarment

Repeat Finding: Yes – 2018-041

Condition:

For 2 out of 2 selections, BCHD is not in compliance with suspension and debarment requirements. The Procurement Department and BCHD did not ensure for the selections that the contractors that entered into the contractual agreements were not debarred or suspended from doing business with the Federal government.

For 1 out of 2 selections, the contract term was expired and subsequently renewed without full and open competition or other justification.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-033

U.S. Department of Health and Human Services

AL No. 93.778 Medical Assistance Program (Medicaid; Title XIX)

Material Weakness over Reporting

Repeat Finding: Yes – 2018-042

Condition:

For 2 out of 2 selections, BCHD was unable to provide expenditure details from the general ledger to substantiate the information reported in the expenditure report to the state was complete, accurate and prepared in accordance with required accounting basis.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-034

U.S. Department of Health and Human Services

AL No. 93.778 Medical Assistance Program (Medicaid; Title XIX)

Material Weakness over Subrecipient Monitoring

Repeat Finding: Yes – 2018-043

Condition:

For 1 out of 1 selection, we did not see evidence that subrecipient monitoring was performed by BCHD. We did not see that risk was assessed of noncompliance against allowable costs, eligibility, period of performance, and equipment compliance requirements. Without monitoring support, we were unable to identify if a corrective action plan was needed for the subrecipient. We also did not note the FAIN identified on the subaward agreement.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-035

U.S. Department of Health and Human Services

AL No. 93.940 HIV Prevention Activities Health Department Based

**Material Weakness over Activities Allowed or Unallowed and Allowable Cost/Cost Principle
Repeat Finding: No**

Condition:

For 1 out of 40 non-payroll selections, we were unable to verify the allowable cost because no evidence was provided to determine the services and authorizations of services received.

For 3 out of 40 payroll selections, we did not receive support to test that the payroll charges to the program were for actual time and effort spent on the grant.

For 1 out of 40 payroll selections, timesheets were not approved by supervisor.

For 1 out of 40 payroll selections, discrepancies were noted between overtime paid and underlying records.

For 1 out of 40 payroll selections, an unallowable cost of grievance pay was charged to the grant, in the amount of \$40,000.

2020 Status:

Finding has been cleared.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-036

U.S. Department of Health and Human Services

AL No. 93.940 HIV Prevention Activities Health Department Based

Material Weakness over Cash Management

Repeat Finding: No

Condition:

For 4 out of 4 selections, we were unable to agree the drawdown amount to the general ledger to ensure funds were being expended prior to requesting for reimbursement.

2020 Status:

Finding remains as stated based on testing performed in 2020.

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CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-037

**U.S. Department of Health and Human Services
AL No. 93.940 HIV Prevention Activities Health Department Based**

Significant Deficiency over Period of Performance

Repeat Finding: No

Condition:

For 2 out of 40 selections, we noted that the service dates occurred prior to current grant period.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-038

**U.S. Department of Health and Human Services
AL No. 93.940 HIV Prevention Activities Health Department Based**

**Material Weakness over Procurement and Suspension and Debarment
Repeat Finding: No**

Condition:

For 4 out of 4 selections, the City did not provide evidence that it was in compliance with suspension and debarment requirements.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-039

**U.S. Department of Health and Human Services
AL No. 93.940 HIV Prevention Activities Health Department Based**

Material Weakness over Reporting

Repeat Finding: No

Condition:

For 1 out of 2 selections, BCHD was unable to provide expenditure details from the general ledger to substantiate the information reported in the Federal Financial Report was complete, accurate and prepared in accordance with required accounting basis.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-040

**U.S. Department of Health and Human Services
AL No. 93.940 HIV Prevention Activities Health Department Based**

**Material Weakness over Subrecipient Monitoring
Repeat Finding: No**

Condition:

For 2 out of 2 selections, we did not see that risk was assessed of noncompliance against allowable costs, eligibility, period of performance, and equipment compliance requirements. Without monitoring support, we were unable to identify if a corrective action plan was needed for the subrecipient. We also did not note the FAIN identified on the subaward agreements.

For 1 of the 2 selections, we did not see that the Federal award period was disclosed on the agreement.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-041

U.S. Department of Health and Human Services

AL No. 93.994 Maternal and Child Health Services Block Grant to the States

**Material Weakness over Activities Allowed or Unallowed and Allowable Cost/Cost Principle
Repeat Finding: No**

Condition:

For 5 out of 40 payroll selections, we did not receive support to test that the payroll charges to the program were for actual time and effort spent on the grant.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-042

U.S. Department of Health and Human Services

AL No. 93.994 Maternal and Child Health Services Block Grant to the States

Material Weakness over Cash Management

Repeat Finding: No

Condition:

For 4 out of 4 selections, we were unable to agree the drawdown amount to the general ledger to ensure funds were being expended prior to requesting for reimbursement.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-043

U.S. Department of Health and Human Services

AL No. 93.994 Maternal and Child Health Services Block Grant to the States

Significant Deficiency in Compliance and Internal Control over Period of Performance

Repeat Finding: No

Condition:

For 3 out of 40 selections, we noted that the service dates occurred prior to current grant period.

2020 Status:

Finding remains as stated based on testing performed in 2020.

CITY OF BALTIMORE

**Summary Schedule of Prior Year Findings
Year Ended June 30, 2020**

Finding 2019-044

U.S. Department of Health and Human Services

AL No. 93.994 Maternal and Child Health Services Block Grant to the States

Material Weakness over Reporting

Repeat Finding: No

Condition:

For 5 out of 5 quarterly reports, we were unable to reconcile the BAPS account to the Department of Health.

2020 Status:

Finding remains as stated based on testing performed in 2020.

SECTION V – CORRECTIVE ACTION PLANS

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CITY OF BALTIMORE
BRANDON M. SCOTT, MAYOR



DEPARTMENT OF FINANCE

HENRY J. RAYMOND
CHIEF FINANCIAL OFFICER

100 N. Holliday Street
Room 454, City Hall
Baltimore, Maryland 21202

April 29, 2021

Mr. William Seymour
SB& Company, LLC
Certified Public Accountants
10200 Grand Central Avenue Suite 250
Owings Mills, MD 21117

Dear Mr. Seymour:

The following represents the City's responses and associated corrective action plans for the findings identified in the 2020 Single Audit.

Sincerely,

A handwritten signature in cursive script that reads "H J Raymond".

Henry J. Raymond

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-001

Material Weakness over Grant Accounting Function

Repeat Finding: Yes – 2019-001

Auditee's Corrective Action Plan:

We concur with the finding. The City has purchased Workday, an Enterprise Resource Planning (ERP) system, and is in the process of implementing the software with the assistance of Accenture consultants. The grants management module is robust with a workflow process for grant approval, grant budget tracking, and invoice scheduling. The enforcement of the Administrative Manual (AM) Grant Policies 413-00 thru 413-70 is being reviewed by Accenture and where possible the procedures to enforce the policies are being configured into the software.

In addition, the Department of Finance is continuing to review our grants policies to determine what adjustments can be made to consolidate and enforce controls. For fiscal year end 2021, additional controls are being reviewed around the grant accounts receivable area to improve the reporting accuracy by requiring that all grants be billed in the accounting system. This will allow the City to more accurately report grants receivable.

Contact Person:

Henry Raymond, Chief Financial Officer, Baltimore City

Completion Date:

June 2022

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-002

Material Weakness over Financial Reporting Function

Repeat Finding: Yes – 2019-002

Auditee’s Corrective Action Plan:

We concur with the finding. The City has purchased Workday, an Enterprise Resource Planning (ERP) system, and is in the process of implementing the software with the assistance of the City’s implementer firm Accenture. The new system includes improved financial reporting and functionality. Specific improvements developed and tested are:

- The use of a business workflow for the monthly and annual close with a dashboard documenting progress and completion dates.
- Account’s reconciliations will be assigned to individuals and documented as part of the close process. There is a signoff process documented in Workday, which records the completion date of the reconciliations.
- Allocations which are currently calculated manually, such as interest and overhead allocations, have been created to automatically calculate and create the journal entry on a monthly basis.
- There has been an extensive review of the chart of accounts, including the use of hierarchies, which will more closely align the financial and budgetary reporting needs of the City.
- The City will be using “control” accounts for accounts receivable and accounts payable, which requires the subsidiary systems to reconcile to the general ledger.
- The City will be using multi-book accounting, which will allow for GAAP entries to be entered into a separate ledger.

Contact Person:

Henry Raymond, Chief Financial Officer, Baltimore City

Completion Date:

June 2022

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-003

Material Weakness over Payroll Timekeeping Function

Repeat Finding: Yes – 2019-003

Auditee's Corrective Action Plan:

We concur with the finding. The City has implemented Workday, an Enterprise Resource Planning (ERP) system, for payroll effective January 1, 2021. Workday's timekeeping solution requires employees to sign in and out thru Workday, contains workflow processing for leave approvals, and other alternative tracking measures. Human Resources and benefit tracking went live October 2020. The City will continue to make improvements and modifications to the software to tighten controls.

Contact Person:

Henry Raymond, Chief Financial Officer, Baltimore City

Completion Date:

Completed. Currently in support phase for ongoing improvements.

CITY OF BALTIMORE

Corrective Action Plans Year Ended June 30, 2020

Finding 2020-004

Material Weakness over Water and Wastewater Billing Function

Repeat Finding: Yes – 2019-004

Auditee's Corrective Action Plan:

We concur with the finding.

The Department of Public Works (DPW) took several steps to assess, evaluate, and improve water and wastewater billing functions, including the following:

- The Office of the Mayor led a review of unbilled properties that have no accounts established within the billing system. A minimal number of properties were found, and, upon further investigation, the majority of those properties were improperly coded.
- Baltimore City and Baltimore County undertook a joint review of the entire water and wastewater utility, using a private consultant. The final report is being reviewed by the Mayor of Baltimore City and the County Executive of Baltimore County. This analysis will provide the framework for a plan to improve the utility, including billing. Additionally, Baltimore City and Baltimore County have formed a strong partnership on utility-related issues, meeting every month. Both jurisdictions are tracking the findings of a joint Baltimore City and Baltimore County Office of Inspector General Report on billing-related issues. The City/County team is evaluating the issues identified in the OIG report with those identified by the consultant to find areas of overlap.
- There is an initiative to reform the DPW meter shop. This initiative involves a task force made up of DPW and Mayor's Office staff who immersed themselves full-time in the meter shop. Thus far, vehicle issues, equipment issues, logistical issues, and some training issues have been assessed and resolved, leading to improved morale and more effective operations.
- In late November 2020, DPW optimized water billing cycles and schedules through a software program called Route Smart. City customers are billed monthly. Route Smart realigned the billing cycles so that customers were evenly divided into the 15 groups and were also located in the same geographic area of the City. This allows the meter technicians to stay in one region when addressing meter issues rather than wasting time traveling back and forth throughout the City.

Contact Person:

Henry Raymond, Chief Financial Officer, Baltimore City

Completion Date:

June 2022

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-005

Material Weakness over Fixed Assets Accounting

Repeat Finding: Yes – 2019-005

Auditee's Corrective Action Plan:

We concur with the finding.

The City has purchased Workday, an Enterprise Resource Planning (ERP) system, and is in the process of implementing the software with the assistance of Accenture. Workday has a separate module for business assets which will allow assets to be flagged during the purchase process and the majority of existing assets to be uploaded and depreciated by Workday. Specific improvements are as follows:

- Depreciation will be run monthly rather than at the end of the year, allowing for a more regular review of the fixed assets.
- Workday reports which reconcile the subsidiary fixed asset module to the general ledger will be run monthly and reviewed.
- A new Workday role within each agency, an asset tracking specialist, will be responsible for reviewing the fixed asset listing and working with the Department of Finance ensuring that assets are capitalized properly.
- A Capital Assets policy has been drafted and is expected to be reviewed and approved before implementation.
- The City has completed the process of gathering the fixed asset data in Workday upload format.

Contact Person:

Henry Raymond, Chief Financial Officer, Baltimore City

Completion Date:

June 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-006

Material Weakness over Information Technology Security

Repeat Finding: Yes – 2019-006

Auditee's Corrective Action Plan:

The Baltimore City Office of Information & Technology (BCIT) has made significant progress towards resolving this finding. In the third quarter of FY21, BCIT implemented cybersecurity awareness training for all Baltimore City employees and contractors. BCIT has also added roles its Infrastructure and Information Security divisions in order to provide adequate staffing in these areas. In FY20, BCIT also hired new leadership, both at the director and deputy director levels, for Information Security and Infrastructure.

The City continues to pursue improvements to its security program. BCIT implemented an information security council to work across City agencies to update IT security standards, upgraded our firewalls, implemented vulnerability scanning, updated our patch management processes, and updated our endpoint threat detection citywide. BCIT works with State and local cyber resources to monitor current threats and utilizes the intelligence to proactively update defenses. The City is maintaining its cybersecurity insurance coverage to help mitigate financial strain on the City, in the event of a future incident.

Contact Person:

Todd Carter, CIO & CDO of Baltimore City

Completion Date:

September 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-007

Material Weakness over Cash Receipt Function

Repeat Finding: No

Auditee's Corrective Action Plan:

We concur with the finding.

The pandemic has significantly increased the customer demand for electronic payments.

- The City is reviewing changes to billing procedures to require all grants be billed, which should reduce the processing time for large dollar value wires.
- The City is reviewing the cash receipt procedures to use Workday cash processing rather than relying on the legacy system. A simpler, more automated approach to cash processing will allow more time for identifying wires and ACH's received by the City.
- Workday has an automated bank reconciliation function which will assist in the reconciliation process of cash for the City's main bank accounts for payroll, disbursements, and collections. Banking transactions will be uploaded daily into Workday and automatically matched to general ledger transactions where possible. This will improve the reconciliation process for cash receipts.

Contact Person:

Henry Raymond, Chief Financial Officer, Baltimore City

Completion Date:

June 2022

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-008

Material Weakness over Schedule of Expenditures of Federal Awards (Schedule) Reporting

Repeat Finding: Yes – 2019-007

Auditee's Corrective Action Plan:

We concur with the finding.

The City has purchased Workday, an Enterprise Resource Planning (ERP) system, and is in the process of implementing the software with the assistance of Accenture consultants. The grants management module is robust with a workflow process for grant approval, grant budget tracking, and invoice scheduling. The Workday grants modules requires the grant funding source be defined prior to grant approval and fields are available for the AL titles and numbers and sub-recipient information. The implementation of the Workday grants modules centralizes much of the grant management function by requiring the agencies to upload the grant documents into Workday.

The City has:

- Held weekly meetings for a year with agency grant representatives to design and configure the Workday grant module.
- Gathered the grant award, sponsor information, and grant budget data into a Workday template for upload into Workday
- Assigned grant numbers in Workday for active grants

Contact Person:

Henry Raymond, Chief Financial Officer, Baltimore City

Completion Date:

June 2022

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-009

**U.S. Department of Agriculture
AL No. 10.559 Summer Food Service Program for Children**

Material Weakness in Compliance and Internal Control over Procurement and Suspension and Debarment

Repeat Finding: No

Auditee's Corrective Action Plan:

The Agency appreciates the comprehensive review of this program and concurs with this finding. The Agency has instituted the following control to address future processing of expenditures in excess of \$25,000 to any one vendor in support of this grant, which requires competitive bidding, as well as confirmation that the vendor was not disbarred, suspended, or otherwise excluded.

This issue occurred due to the rapid response required at the onset of the COVID-19 Pandemic and the City's duty to provide timely nutrition to the Children and Youth of Baltimore in need.

The Agency has refreshed their knowledge of the procurement rules related to expenditures on a grant and have updated their reference documents to include these requirements. In addition, the Agency will continue to confer with the Bureau of Procurement on the Uniform Guidance for any future procurements of this nature.

Contact Person:

James Hicks, Assistant Commissioner DHCD HHP Division

Completion Date:

May 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-010

**U.S. Department of Housing and Urban Development (HUD)
AL No. 14.218 Community Development Block Grants/Entitlement Grants**

**Material Weakness in Compliance and Internal Control over Activities Allowed or
Unallowed and Allowable Costs/Cost Principles (Payroll)**

Repeat Finding: No

Condition:

For 10 out of 25 payroll selections the amounts recorded in HRIS did not agree to the amounts recorded in E-time system in order to validate compliance and internal controls over Activities Allowed and Allowable Costs/Cost Principles.

Auditee's Corrective Action Plan:

The Agency appreciates the comprehensive review of this program and concurs with this finding. The Department of Housing and Community Development (DHCD) understands that the paper timesheets and corresponding back up documentation should reflect the same information as recorded in the City of Baltimore System of Record for payroll. This finding did not result in any additional payments to employees or unallowable grant costs.

The corrective action plan for this finding is the Citywide transition to the new Workday Timekeeping system, implemented by the City of Baltimore in January 2021.

Contact Person:

Elaine Harder, CFO

Completion Date:

January 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-011

**U.S. Department of Housing and Urban Development (HUD)
AL No. 14.239 Home Investment Partnership Program (HOME)**

Material Weakness over Loans and Loan Guarantees

Repeat: Yes – 2019-009

Condition:

The City did follow the requirements to disclose loans and loan guarantees in the Schedule and/or footnotes in the current and prior reporting periods.

Auditee's Corrective Action Plan:

The Agency appreciates the comprehensive review of this program and concurs with this finding. The Department of Housing and Community Development (DHCD) understands that the City of Baltimore's Department of Finance is responsible for the disclosure of loan balances and activity in the Schedule and/or footnotes in the current and prior reporting periods and that the operational efforts of the Finance Department will result in a shared finding with all City Departments who receive and or have outstanding loan balances. Therefore, DHCD will work with the Department of Finance to ensure that adequate documentation and disclosure is maintained.

Contact Person:

Elaine Harder, CFO

Completion Date:

June 30, 2022

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-012

**U.S. Department of Housing and Urban Development (HUD)
AL No. 14.239 Home Investment Partnership Program (HOME)**

Significant Deficiency in Compliance and Internal Control over Eligibility

Repeat Finding: Yes – 2019-008

Condition:

For 6 out of 25 selections, the participant's annual income reported in the Baltimore City Department of Housing and Community Development internal tracking report did not match what was calculated on the application.

Additionally, there were 5 out of the 25 selections where the participant's monthly rent was more than the maximum HOME monthly rent as determined by HUD.

Auditee's Corrective Action Plan:

The Agency appreciates the comprehensive review of this program and concurs with this finding. The Agency has instituted the following controls to address future processing of participant eligibility determination using an internal tracking report.

- The current internal tracking mechanism did not result in ineligible participants receiving Federal benefits but did have small differences due to what was calculated on the tenant's application. The internal tracking documentation used to validate eligibility will undergo enhanced review by the responsible DHCD staff person to ensure the information is reconciled with all other documentation for consistency and will be addressed with additional staff training.
- The enhanced review process will include limiting input to a small population of Agency staff personnel for additional controls to reduce input errors.

Contact Person:

Elaine Harder, CFO

Completion Date:

June 30, 2020

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-013

**U.S. Department of Housing and Urban Development (HUD)
AL No. 14.241 Housing Opportunities for People with AIDS**

Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Repeat Finding: No

Auditee's Corrective Action Plan:

Timesheets were submitted as paper in FY20, so access to these documents are limited. MOHS also does not have access to eTime data to provide any payroll reports, since Workday was put in place.

Since timesheets are submitted electronically using Workday, timesheets and payroll data reports can be pulled.

MOHS will also conduct quarterly time studies to ensure time allocated to grants are accurate.

Contact Person:

Troy King, Acting CFO, Mayors Office of Homeless Services

Completion Date:

Expected to start immediately.

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-014

**U.S. Department of Housing and Urban Development (HUD)
AL No. 14.241 Housing Opportunities for People with AIDS**

**Material Weakness in Compliance and Internal Control over Eligibility
Repeat Finding: No**

Auditee's Corrective Action Plan:

What was requested by the audits team was provided for all except one client. MOHS was unable to locate the tenant's original file given the short time frame and staff teleworking. All other clients had the requested medical documentation, ID, and income used to verify eligibility. This documentation is collected at intake and clients are not accepted into the program without this documentation. We will continue to make sure this information is collected, and easily accessible.

The HAP policy prior to 2020 was not that all files would be reviewed by the supervisor. There are over 400 clients in the program, and it is impossible for the manager to touch every file. 30% of client files are to be reviewed by the manager monthly.

Contact Person:

Lakeysha Vaughn, Program Compliance Officer

Completion Date:

Expected to start immediately.

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-015

**U.S. Department of Housing and Urban Development (HUD)
AL No. 14.241 Housing Opportunities for People with AIDS**

Material Weakness in Subrecipient Monitoring

Repeat Finding: No

Auditee's Corrective Action Plan:

Much of our supporting documentation is housed in the office, while we are teleworking. Given the short turnaround, we were not able to produce all requested documentation for risk assessments. We will work to have files more readily available.

Remote monitoring for all HOPWA project sponsors is currently taking place. Moving forward, all organizations will be monitored on an annual basis.

Contact Person:

Lakeysha Vaughn, Program Compliance Officer

Completion Date:

Expected to start immediately.

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-016

**U.S. Department of Housing and Urban Development (HUD)
AL No. 14.241 Housing Opportunities for People with AIDS**

Material Weakness in Special Tests and Provisions – Housing Quality Standards

Repeat Finding: No

Auditee's Corrective Action Plan:

Many of the units during this time frame had a passed inspection. However, there were some inspections that had not been finalized due to the pandemic. Re-inspections were to be scheduled after the pandemic was in place. MOHS ceased all inspections and in-person visits in March of 2020. We have just begun to resume in-person inspection in April of 2021. Given the compromised immune system of our participants, there was no way to complete in-person inspections. We will plan for inspections as it is safe to do so.

Contact Person:

Lakeysha Vaughn, Program Compliance Officer

Completion Date:

April 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-017

**U.S. Department of Transportation
Highway Planning and Construction Cluster
AL No. 20.205 Highway Planning and Construction**

Material Weakness over Procurement, Suspension, and Debarment

Repeat Finding

No

Auditee's Corrective Action Plan:

DOT always reviews and verifies the debarment of contractors and consultants using SAMS.GOV before any award is processed as no federal funds can be awarded without this verification. In the two projects cited in the finding, the verification of debarment was completed; however, the printout was not placed in the file. The DOT will continue the process of verifying debarment of all contractors and subcontractors utilizing SAMS.GOV and will ensure that the verification is printed and placed in the contract file.

Contact Person:

Dhirendra K Sinha, Fiscal Division Chief, BCDOT

Completion Date:

May 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-018

**U.S. Department of Treasury
AL No. 21.019 Coronavirus Relief Fund**

**Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost
Principle (Payroll)**

Repeat Finding: No

Auditee's Corrective Action Plan:

We concur with the finding. BBMR is not the custodian of payroll data nor does it have access to that data. We report based on the information we are provided from the agency and what is available in our records. In regards to Health, the agency reported the names of the individuals, certified whether they are substantially dedicated at the 51% or 100% level, and we have budgeted salary projections for each person. In regards to Fire, we evaluated FY20 actuals of the service and compared it to actual COVID response data from the CAD to determine an appropriate amount for payroll costs. I have no reason to believe the information we have, or provided, is inaccurate, in the sense that unallowed payroll costs have been charged. Supporting documentation was provided to this effect.

Contact Person:

Robert Cenname, Budget Director, Baltimore City

Completion Date:

June 2022

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-019

**U.S. Department of Treasury
AL No. 21.019 Coronavirus Relief Fund**

**Material Weakness over Subrecipient Monitoring
Repeat Finding: No**

Auditee's Corrective Action Plan:

We concur with the finding. BBMR reports quarterly to the Treasury on CRF spending. Attached is the report for that time period. Please note, at the time of this report, Finance had not determined its strategy for the allocation of resources between FEMA reimbursements and CRF. In addition, BBMR was not made aware of the decision by BAPS to record any CARES Act spending for Fiscal 2020 until February 2021 during which the Bureau was notified of the audit, which had already begun.

Contact Person:

Robert Cename, Budget Director, Baltimore City

Completion Date:

June 2022

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-20

U.S. Environmental Protection Agency (EPA)

AL No. 66.458 Capitalization Grants for Clean Water State Revolving Funds

Material Weakness over Procurement and Suspension and Debarment

Repeat Finding: Yes

Auditee's Corrective Action Plan:

The Department of Public Works (DPW) has established a Department-wide course of action that will address the procurement and suspension debarment requirements as mandated by the Uniform Guidance.

Contact Person:

Troy Brogden, Chief of Fiscal, DPW

Completion Date:

May 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-21

U.S. Environmental Protection Agency (EPA)

AL No. 66.468 Capitalization Grants for Drinking Water State Revolving Funds

Material Weakness over Procurement and Suspension and Debarment

Repeat Finding: Yes

Auditee's Corrective Action Plan:

The Department of Public Works (DPW) has established a Department-wide course of action that will address the procurement and suspension debarment requirements as mandated by the Uniform Guidance.

Contact Person:

Troy Brogden, Chief of Fiscal, DPW

Completion Date:

May 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-022

U.S. Department of Health and Human Services

Aging Cluster

**AL 93.044 SPECIAL PROGRAMS FOR THE AGING – TITLE III, PART B—
GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS**

**AL 93.045 SPECIAL PROGRAMS FOR THE AGING – TITLE III, PART C—
NUTRITION SERVICES**

AL 93.053 NUTRITION SERVICES INCENTIVE PROGRAM

**Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost
Principle (Payroll)**

Repeat Finding: No

Auditee's Corrective Action Plan:

Baltimore City's new payroll system, Work Day, which went live for BCHD for the payroll period beginning 12/24/20, allows for all timesheets and documentation for leave and overtime to be kept electronically and will alleviate these findings.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-023

U.S. Department of Health and Human Services

**AL No. 93.767 Children's Health Insurance Program
Pass-through: Maryland Department of Health**

**Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost
Principle (Payroll)**

Repeat Finding: Yes – 2019-019

Auditee's Corrective Action Plan:

Baltimore City's new payroll system, Work Day, which went live for BCHD for the payroll period beginning 12/24/20, allows for all timesheets and documentation for leave and overtime to be kept electronically and will alleviate these findings.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-024

U.S. Department of Health and Human Services

AL No. 93.778 Medical Assistance Program (Medicaid; Title XIX)

Material Weakness over Activities Allowed or Unallowed and Allowable Cost/Cost Principle

Repeat Finding: Yes

Auditee's Corrective Action Plan:

Baltimore City's new payroll system, Work Day, which went live for BCHD for the payroll period beginning 12/24/20, allows for all timesheets and documentation for leave and overtime to be kept electronically and will alleviate these findings.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-025

U.S. Department of Health and Human Services

AL No. 93.778 Medical Assistance Program (Medicaid; Title XIX)

Material Weakness over Eligibility

Repeat Finding: Yes –

Auditee's Corrective Action Plan:

Program staff made available files to review after the audit deadline. Unfortunately, due to the pandemic, many program staff telework and accessing participant files can only happen in the office. BCHD does not agree with the finding because there was no actual testing done to determine if eligibility requirements were met. Adequate time was not given to provide documentation for eligibility.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-026

U.S. Department of Health and Human Services

AL No. 93.778 Medical Assistance Program (Medicaid; Title XIX)

Material Weakness over Period of Performance

Repeat Finding: Yes – 2019-031

Auditee's Corrective Action Plan:

Baltimore City's new payroll system, Work Day, which went live for BCHD for the payroll period beginning 12/24/20, allows for all timesheets and documentation for leave and overtime to be kept electronically and will alleviate these findings.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-027

U.S. Department of Health and Human Services

AL No. 93.778 Medical Assistance Program (Medicaid; Title XIX)

Material Weakness over Reporting

Repeat Finding: No

Auditee's Corrective Action Plan:

BCHD will continue to work with the City's Finance department to ensure what is recorded on the general ledger reconciles to what is reported in the expenditure report to the state. The upcoming implementation of WorkDay Finance module will alleviate these findings.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-028

U.S. Department of Health and Human Services

AL No. 93.914 HIV Emergency Grants

Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost

Principle (Payroll):

Repeat Finding: No

Auditee's Corrective Action Plan:

Baltimore City's new payroll system, Work Day, which went into effect for BCHD for the payroll period beginning 12/24/20, allows for all timesheets and documentation for leave and overtime to be kept electronically and will alleviate these findings.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-029

U.S. Department of Health and Human Services

AL No. 93.914 HIV Emergency Grants

Material Weakness over Cash Management

Repeat Finding: No

Auditee's Corrective Action Plan:

BCHD disputes this finding due to several factors. First, the process for requesting drawdowns begins with the fiscal team managing the grant. A member of BCHD's fiscal team enters the drawdown request into the Federal Payment Management System (PMX). Baltimore City's Treasury Department is notified. After BCHD's fiscal team enters the request into PMX, there is no control over the timing of when the funds are received and when the funds are posted to the GL as this is the responsibility of the City's Treasury department. BCHD has maintained adequate support for the drawdowns and provided reconciliation and explanation of variances for the draws selected. Second, two out of the four drawdowns selected were not in the period of performance that fell within the FY under audit. Per discussion with the City audit leads, two additional draws would be selected and sent over to our fiscal team to provide support. Additional selections were never sent. Due to the above reasons, BCHD request this finding be removed.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-030

U.S. Department of Health and Human Services

AL No. 93.914 HIV Emergency Grants

Material Weakness over Eligibility

Repeat Finding: No

Auditee's Corrective Action Plan:

Program management had to coordinate with 18 providers to access files for eligibility testing. Unfortunately, due to the pandemic, many of the providers have limited staff in the office and there was not enough time given to coordinate accessing the files either in person or virtual.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-031

U.S. Department of Health and Human Services

AL No. 93.914 HIV Emergency Grants

Material Weakness over Subrecipient Monitoring

Repeat Finding: No

Auditee's Corrective Action Plan:

BCHD Audit & Compliance Manager will work with Accounting Supervisors and program leadership to develop a schedule and process for subrecipient monitoring by FY22.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-032

U.S. Department of Health and Human Services

AL No. 93.940 HIV Prevention Activities Health Department Based

**Material Weakness over Activities Allowed or Unallowed and Allowable Cost/Cost Principle
(Payroll)**

Repeat Finding: Yes 2019-035

Auditee's Corrective Action Plan:

Baltimore City's new payroll system, Work Day, which went live for BCHD for the payroll period beginning 12/24/20, allows for all timesheets and documentation for leave and overtime to be kept electronically and will alleviate these findings.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2019-033

U.S. Department of Health and Human Services

AL No. 93.940 HIV Prevention Activities Health Department Based

Material Weakness over Cash Management

Repeat Finding: Yes 2019-036

Auditee's Corrective Action Plan:

The process for requesting drawdowns begins with the fiscal team managing the grant. A member of BCHD's fiscal team enters the drawdown request into the Federal Payment Management System (PMX). Baltimore City's Treasury Department is notified. After BCHD's fiscal team enters the request into PMX, there is no control over the timing of when the funds are received and when the funds are posted to the GL as this is the responsibility of the City's Treasury department. BCHD has maintained adequate support for the drawdowns and provided reconciliation and explanation of variances for the draws selected.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2019-034

**U.S. Department of Health and Human Services
AL No. 93.940 HIV Prevention Activities Health Department Based**

Significant Deficiency over Period of Performance

Repeat Finding: Yes 2019-037

Auditee's Corrective Action Plan:

By 12/31/21, BCHD will establish and implement controls to allow only costs within a period of performance to be charged to a grant. Procedures for internal controls will be updated in our Fiscal Policies and the accounting staff will be trained appropriately.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-035

**U.S. Department of Health and Human Services
AL No. 93.940 HIV Prevention Activities Health Department Based**

**Material Weakness over Procurement and Suspension and Debarment
Repeat Finding: Yes 2019-038**

Auditee's Corrective Action Plan:

BCHD revised its policies to include verification of debarment through SAMS.GOV as part of its vetting process for sub-grantee agreements. However, BCHD does not have control over the City's procurement process particularly documentation for vendors the City already has Master Contracts. This is a City-wide issue and not exclusive to BCHD.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2019-036

**U.S. Department of Health and Human Services
AL No. 93.940 HIV Prevention Activities Health Department Based**

**Material Weakness over Reporting
Repeat Finding: Yes 2019-039**

Auditee's Corrective Action Plan:

By 12/31/21, BCHD will establish and implement controls to ensure reporting requirements are being met and ensure adequate reviews are in place to monitor control. The upcoming implementation of WorkDay Finance module will alleviate these findings.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-037

**U.S. Department of Health and Human Services
AL No. 93.940 HIV Prevention Activities Health Department Based**

**Material Weakness over Subrecipient Monitoring
Repeat Finding: Yes 2019-040**

Auditee's Corrective Action Plan:

BCHD Audit & Compliance Manager will work with Accounting Supervisors and program leadership to develop a schedule and process for subrecipient monitoring.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2019-038

U.S. Department of Health and Human Services

AL No. 93.994 Maternal and Child Health Services Block Grant to the States

Material Weakness over Activities Allowed or Unallowed and Allowable Cost/Cost Principle

Repeat Finding: Yes 2019-041

Auditee's Corrective Action Plan:

Baltimore City's new payroll system, Work Day, which went live for BCHD for the payroll period beginning 12/24/20, allows for all timesheets and documentation for leave and overtime to be kept electronically and will alleviate these findings.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2019-039

U.S. Department of Health and Human Services

AL No. 93.994 Maternal and Child Health Services Block Grant to the States

Material Weakness over Cash Management

Repeat Finding: Yes 2019-042

Auditee's Corrective Action Plan:

BCHD will continue to work with the City's Finance department to ensure what is recorded on the general ledger reconciles to what is requested for reimbursement. Procedures for drawdowns will be update in our Fiscal Policies and the accounting staff will be trained appropriate. The upcoming implementation of WorkDay Finance module will alleviate these findings.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-040

U.S. Department of Health and Human Services

AL No. 93.994 Maternal and Child Health Services Block Grant to the States

Significant Deficiency in Compliance and Internal Control over Period of Performance

Repeat Finding: Yes 2019-043

Auditee's Corrective Action Plan:

BCHD will continue to work on controls to allow only costs within a period of performance to be charged to a grant and ensure adequate reviews are in place to monitor control. BCHD will ensure monthly reconciliations are completed by accountants and review to ensure expenditures are charged to the correct period and make the appropriate corrections.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

CITY OF BALTIMORE

**Corrective Action Plans
Year Ended June 30, 2020**

Finding 2020-041

U.S. Department of Health and Human Services

AL No. 93.994 Maternal and Child Health Services Block Grant to the States

Material Weakness over Reporting

Repeat Finding: Yes 2019-044

Auditee's Corrective Action Plan:

BCHD will continue to implement controls to maintain compliance with reporting requirements and ensure all staff are trained on these requirements. The upcoming implementation of WorkDay Finance module will also alleviate these findings.

Contact Person:

Malcolm Haynes, Chief of Staff, Chief of Finance and Administration, BCHD

Completion Date:

December 31, 2021

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