

WAKE COUNTY, NORTH CAROLINA

**REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS IN ACCORDANCE
WITH THE UNIFORM GUIDANCE AND
*GOVERNMENT AUDITING STANDARDS***

FOR THE YEAR ENDED JUNE 30, 2023

WAKE COUNTY, NORTH CAROLINA
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Members of the Board of Commissioners Wake County, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Wake County, North Carolina** (the "County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 27, 2023. Our report includes a reference to other auditors who audited the financial statements of the Wake County Board of Alcoholic Control (the "ABC Board"), as described in our report on the County's financial statements. The financial statements of the ABC Board were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal controls over financial reporting or compliance and other matters associated with the ABC Board or that are reported on separately by those auditors who audited the financial statements of the ABC Board.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Wake County, North Carolina's Response to the Findings

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

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.

Mauldin & Jenkins, LLC

Raleigh, North Carolina
November 27, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH APPLICABLE SECTIONS OF THE OMB UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

**To Members of the Board of Commissioners
Wake County, North Carolina**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Wake County, North Carolina's** (the "County") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of the major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-003. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency and a material weakness.

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

We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency and item 2023-003 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 27, 2023, which contained unmodified opinions on those financial statements, and which refers to the work of other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mauldin & Jenkins, LLC

Raleigh, North Carolina

December 29, 2023, except for our report on the schedule of expenditures of federal and state awards, for which the date is November 27, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH APPLICABLE SECTIONS OF THE OMB UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

**To Members of the Board of Commissioners
Wake County, North Carolina**

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited **Wake County, North Carolina's** (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major state programs for the year ended June 30, 2023. The County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major state program for the year ended June 30, 2023.

Basis for Opinion on the Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for the each major state program.

Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's state programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of the major state program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-003. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency and a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency and item 2023-003 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 27, 2023, which contained unmodified opinions on those financial statements, and which refers to the work of other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mauldin & Jenkins, LLC

Raleigh, North Carolina

December 29, 2023, except for our report on the schedule of expenditures of federal and state awards, for which the date is November 27, 2023

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Grantor/Pass-through Grantor/Program Titles	Federal Assistance Listing Number	State Pass-through	Expenditures		Total	Provided to Subrecipients
		Identifying #	Federal (Direct and Pass-through from)	State		
Federal Awards:						
U.S. Department of Agriculture:						
Passed-through from N.C. Department of Health and Human Services, Division of Social Services:						
Supplemental Nutrition Assistance Program (SNAP) Cluster:						
State Administrative Matching Grants for SNAP	10.561		\$ 6,609,147	\$ -	\$ 6,609,147	\$ -
State Administrative Matching Grants for SNAP	10.561-COVID		1,357,856	-	1,357,856	-
Total SNAP Cluster			7,967,003	-	7,967,003	-
Passed-through from N.C. Department of Health and Human Services, Division of Public Health						
Special Supplemental Nutritional Food Program for Women, Infants, and Children	10.557	403, 415, 416	4,128,328	-	4,128,328	
Passed-through from Natural Resources Conservation Service						
Watershed Rehabilitation Program	10.916	NC01449, NC01450	484,569	-	484,569	-
Total U.S. Department of Agriculture			12,579,900	-	12,579,900	-
U.S. Department of Housing and Urban Development:						
CDBG -Entitlement Grants Cluster:						
Community Developmental Block Grants/Entitlement Grants	14.218		2,681,073	-	2,681,073	250,000
Community Developmental Block Grants/Entitlement Grants	14.218-COVID		607,351	-	607,351	-
Total CDBG -Entitlement Grants Cluster			3,288,424	-	3,288,424	250,000
Emergency Solutions Grants Program	14.231		182,780	-	182,780	-
Emergency Solutions Grants Program - COVID	14.231-COVID		548,314	-	548,314	-
Home Investment Partnership Program	14.239		150,186	-	150,186	-
Housing Opportunities for Persons with AIDS - HOPWA	14.241		1,105,215	-	1,105,215	-
Housing Opportunities for Persons with AIDS - HOPWA - COVID	14.241-COVID		55,087	-	55,087	-
Continuum of Care Program	14.267		2,052,293	-	2,052,293	-
Passed-through from the City of Raleigh:						
Emergency Solutions Grants Program	14.231		98,109	-	98,109	-
Passed-through from Court Appointed Special Advocate (CASA):						
Continuum of Care Program	14.267		154,286	-	154,286	-
Total U.S. Department of Housing and Urban Development			7,634,694	-	7,634,694	250,000
U.S. Department of Justice:						
State Criminal Alien Assistance Program	16.606		112,481	-	112,481	-
Congressionally Recommended Awards	16.753		476,985	-	476,985	-
Equitable Sharing Program	16.922		121,087	-	121,087	-
Body Worn Camera Policy and Implementation	16.835		3,600	-	3,600	-
Comprehensive Opioid, Stimulant, and other Substances Use Program (COSSUP)	16.838		65,671	-	65,671	-
Passed-through from N.C. Department of Public Safety						
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program (Office on Violence Against Women)	16.590	2018-WF-AX-0026	295,302	-	295,302	-
Passed-through from City of Raleigh						
Edward Byrne Memorial Justice Assistance Grant Program	16.738		78,670	-	78,670	-
Total U.S. Department of Justice			1,153,796	-	1,153,796	-
U.S. Department of Labor						
Passed-through from N.C. Department of Economic and Community Development, Job Training Partnership Act:						
WIOA Cluster:						
WIOA - Adult Program	17.258	4010, 4020, 4050	1,730,795	-	1,730,795	1,493,672
WIOA - Youth Activities	17.259	4040, 4050	1,785,809	-	1,785,809	1,541,149
WIOA - Dislocated Workers Formula Grants	17.278	4030, 4031, 4050	1,287,538	-	1,287,538	988,711
Total WIOA Cluster			4,804,142	-	4,804,142	4,023,532
Reentry Employment Opportunities	17.270		290,099	-	290,099	139,435
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277		689,180	-	689,180	535,285
Total U.S. Department of Labor			5,783,421	-	5,783,421	4,698,252
Federal Highway Administration						
Passed-through from N.C. Department of Transportation:						
Formula Grants for Rural Areas (Community Transportation Program)	20.509	36233.106.17.1 / 36233.106.18.1	90,929	231,486	322,415	-
State and Community Highway Safety (Governor's Highway Safety Program)	20.600	22022.6.30 / 22022.6.19	172,349	-	172,349	-
Highway Planning & Construction Cluster:						
Highway Planning and Construction	20.205	37673.1.3 / 48778.4.2	1,187,233	266,862	1,454,095	-
Total Highway Planning & Construction Cluster			1,187,233	266,862	1,454,095	-
Passed-through from the City of Raleigh, NC:						
Federal Transit Cluster:						
Federal Transit Formula Grant (FTA 5307)	20.507		1,731,684	-	1,731,684	-
Federal Transit Formula Grant (FTA 5307) - COVID	20.507-COVID		3,490,683	-	3,490,683	-
Total Federal Transit Cluster			5,222,367	-	5,222,367	-
Transit Services Program Cluster:						
Enhanced Mobility of Seniors & Individuals w Disabilities (FTA 5310)	20.513		28,768	-	28,768	-
Total Transit Services Program Cluster			28,768	-	28,768	-
Public Transportation Innovation	20.530		155,751	-	155,751	-
Total Federal Highway Administration			6,857,397	498,348	7,355,745	-
U.S. Department of the Treasury						
Emergency Rental Assistance Program (ERA)	21.023-COVID		11,861,749	9,924,214	21,785,963	21,715,488
Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027-COVID		37,644,772	-	37,644,772	6,569,345
Passed-through from N.C. Department of Commerce:						
Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027-COVID		537,511	-	537,511	537,511
Passed-through from the N.C. Department of Health and Human Services, Division of Public Health:						
Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027-COVID		57,053	-	57,053	

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Grantor/Pass-through Grantor/Program Titles	Federal Assistance Listing Number	State Pass-through Identifying #	Expenditures		Total	Provided to Subrecipients
			Federal (Direct and Pass-through from)	State		
Passed-through from N.C. Department of Public Safety:						
Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027-COVID		\$ 66,287	\$ -	\$ 66,287	\$ 11,233
Total U.S. Department of Treasury			50,167,372	9,924,214	60,091,586	28,833,577
Institute of Museum and Library Services (IMLS)						
National Leadership Grants	45.312-COVID		3,022	-	3,022	-
Total Institute of Museum and Library Services (ILMS)			3,022	-	3,022	-
U.S. Department of Education:						
Passed-through from N.C. Department of Public Instruction						
School Safety National Activities	84.184		58,480	-	58,480	-
Total U.S. Department of Education			58,480	-	58,480	-
U.S. Department of the Health and Human Services						
Administration for Children and Families						
Passed-through from the N.C. Department of Health and Human Services, Division of Social Services:						
Promoting Safe and Stable Families Program	93.556		286,070	-	286,070	-
Temporary Assistance for Needy Families (TANF)	93.558		5,805,292	-	5,805,292	-
Child Support Enforcement	93.563		5,928,735	-	5,928,735	-
Low-Income Home Energy Assistance	93.568		379,044	-	379,044	-
Low-Income Home Energy Assistance	93.568-COVID		3,362,026	-	3,362,026	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645		357,787	(37,875)	319,912	-
Social Services Block Grant	93.667		2,050,876	156,067	2,206,943	-
Chafee Foster Care Program For Successful Transition to Adulthood	93.674		223,328	34,404	257,732	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566		45,772	-	45,772	-
Foster Care and Adoption Cluster:						
Foster Care - Title IV-E	93.658		5,687,175	2,969,890	8,657,065	-
Adoption Assistance	93.659		727,500	103,079	830,579	-
Total Foster Care and Adoption Cluster			6,414,675	3,072,969	9,487,644	-
Passed-through from the N.C. Department of Health and Human Services, Division of Child Development and Early Education:						
Subsidized Child Care Cluster						
Child Care Development Fund Cluster:						
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Administration	93.596		2,438,168	-	2,438,168	-
Total Child Care Development Fund Cluster			2,438,168	-	2,438,168	-
Smart Start	NA		-	111,052	111,052	-
Total Subsidized Child Care Cluster			2,438,168	111,052	2,549,220	-
Centers for Medicare and Medicaid Services						
Passed-through from the N.C. Department of Health and Human Services, Division of Medical Assistance:						
Medicaid Cluster:						
Medical Assistance Program (Medicaid)	93.778		19,529,801	1,421,301	20,951,102	-
Total Medicaid Cluster			19,529,801	1,421,301	20,951,102	-
Children's Health Insurance Program - N.C. Health Choice	93.767		270,289	30,828	301,117	-
Centers for Disease Control and Prevention						
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391-COVID	NH75OT000020	1,652,764	-	1,652,764	-
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health (WorkwithWake)	93.967		374	-	374	-
Passed-through from the N.C. Department of Health and Human Services, Division of Public Health:						
Public Health Emergency Preparedness	93.069	514	88,000	-	88,000	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	551	69,379	72,217	141,596	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	491	87,539	-	87,539	-
Immunization Cooperative Agreements	93.268	510, 715	72,005	52,158	124,163	-
National and State Tobacco Control Program	93.387	451	56,694	26,973	83,667	-
Well Integrated Screening and Evaluation for Women Across the Nation	93.436	465	31,575	-	31,575	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354-COVID	620	493,751	-	493,751	-
Temporary Assistance for Needy Families (TANF)	93.558	151	68,295	-	68,295	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	583	187,934	-	187,934	-
Cancer Prevention and Control Programs	93.898	452	60,500	77,730	138,230	-
HIV Prevention Activities - Health Department Based	93.940	536, 587, 825	213,665	78,000	291,665	-
Sexually Transmitted Diseases Prevention and Control Grants	93.977	534, 610	100	257,690	257,790	-
Preventive Health and Health Services Block Grant	93.991	886	30,133	2,660	32,793	-
Health Resources and Services Administration						
HIV Care Formula Grants	93.917	574, 611, 822	2,614,432	-	2,614,432	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		683,315	-	683,315	-
Maternal and Child Health Services Block Grants to the States	93.994	101, 151, 318, 351, 352, 834	746,312	217,822	964,134	-
National Institutes of Health						
Passed-through from the Duke University:						
Cardiovascular Diseases Research	93.837	1UG3HL146935-01A1	3,050	-	3,050	-
Food and Drug Administration						
Food and Drug Administration Research	93.103		68,640	-	68,640	-
Office of the Secretary						
Community Program to Improve Minority Health (Lit4Wake)	93.137-COVID	CPIMP211289	1,214,983	-	1,214,983	198,384
Office of Assistant Secretary for Health						
Family Planning Services	93.217	151	192,769	44,863	237,632	-
Substance Abuse and Mental Health Services Administration						
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		312,106	-	312,106	-
Total U.S. Department of Health and Human Services			56,040,178	5,618,859	61,659,037	198,384

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Grantor/Pass-through Grantor/Program Titles	Federal Assistance Listing Number	State Pass-through	Expenditures		Total	Provided to Subrecipients
		Identifying #	Federal (Direct and Pass-through from)	State		
Corporation for National and Community Service (CNCS) - "AmeriCorps":						
AmeriCorps Volunteers In Service to America (VISTA)	94.013		\$ 31,849	\$ -	\$ 31,849	\$ -
Total Corporation for National and Community Service (CNCS)			31,849	-	31,849	-
U.S. Department of Homeland Security:						
Federal Emergency Management Agency						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036-COVID		696,525	-	696,525	-
Passed-through from N.C. Department of Public Safety						
Emergency Management Performance Grant	97.042		62,500	-	62,500	-
Emergency Management Performance Grant - COVID	97.042-COVID		9,428	-	9,428	-
Emergency Operations Center	97.052		301,000	-	301,000	-
Total U.S. Department of Homeland Security			1,069,453	-	1,069,453	-
Total Federal Awards			141,379,562	16,041,421	157,420,983	33,980,213
State Awards:						
N.C. Department of Natural and Cultural Resources:						
Division of State Library:						
State Aid to Libraries			-	667,500	667,500	-
Total N.C. Department of Natural and Cultural Resources			-	667,500	667,500	-
N.C. Department of Health and Human Services:						
Division of Public Health:						
Community Health Medical Access			-	136,898	136,898	-
General Aid to Counties		110	-	167,583	167,683	-
HIV Non-Traditional Test Site		894	-	30,616	30,616	-
School Nurse Funding Initiative		803	-	51,785	51,785	-
Improving Community Outcomes for Maternal and Child Health		164	-	243,483	243,483	-
Total Division of Public Health			-	630,365	630,465	-
Division of Social Services:						
Energy Assistance Private Grants			-	3,000	3,000	-
Division of Child Development:						
North Carolina Smart Start			-	632,807	632,807	-
Total N.C. Department of Health and Human Services			-	1,266,172	1,266,272	-
N.C. Department of Transportation:						
Division of Public Transportation:						
Rural Operating Assistance Program (ROAP) - Cluster						
Elderly and Disabled Transportation Assistance Program (EDTAP)			-	338,559	338,559	-
Employment Transportation Assistance Program			-	246,380	246,380	-
Rural General Public Program (RGP)			-	121,182	121,182	-
Total Rural Operating Assistance Program (ROAP) Cluster			-	706,121	706,121	-
Total N.C. Department of Transportation			-	706,121	706,121	-
N.C. Department of Environmental Quality						
Environment Health Food & Lodging			-	158,483	158,483	-
NC Electronic Recycling			-	89,120	89,120	-
Scrap Tire Disposal Program			-	2,247,864	2,247,864	-
White Goods Management Program			-	313,965	313,965	-
Total N.C. Department of Environmental Quality			-	2,809,432	2,809,432	-
N.C. Department of Agriculture and Consumer Services						
State Farm Grant			-	24,488	24,488	-
Total N.C. Department of Agriculture and Consumer Services			-	24,488	24,488	-
N.C. Department of Public Instruction						
Public School Building Capital Fund - Lottery Proceeds			-	11,735,413	11,735,413	-
Total N.C. Department of Public Instruction			-	11,735,413	11,735,413	-
N.C. Department of Public Safety						
Capital Area Workforce Development Local ReEntry Council Services		19-RFP-014850-JJX	-	153,996	153,996	-
Tier II Noncompetitive (LEPC Support and BEST Conference)			-	853	853	-
Juvenile Crime Prevention Programs			-	2,109,846	2,109,846	1,757,690
Total N.C. Department of Public Safety			-	2,264,695	2,264,695	1,757,690
N.C. Department of Military and Veteran Affairs						
Division of Veterans Affairs						
Veterans Service Program			-	2,083	2,083	-
Total N.C. Department of Military and Veteran Affairs			-	2,083	2,083	-
Total State Awards			-	19,475,904	19,476,004	1,757,690
Total Federal and State Awards			\$ 141,379,562	\$ 35,517,325	\$ 176,896,987	\$ 35,737,903

WAKE COUNTY, NORTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal and state grant activity of the County under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the 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) and the State Single Audit Implementation Act. Therefore, some of the amounts presented in the Schedule may differ from amounts presented in, or used in, the preparation of the financial statements. Also, because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the State Single Audit Implementation Act, 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. Pass-through entity identifying numbers are presented where available. The County has elected not to use the 10% de Minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3. CLUSTER OF PROGRAMS

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:

Subsidized Child Care and Foster Care Adoption

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ☒ Yes ☐ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major state programs:

Material weakness(es) identified? ☒ Yes ☐ No

Significant deficiency(ies) identified? ☒ Yes ☐ None reported

Type of auditor's report issued on compliance for major federal programs?

Unmodified

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

☒ Yes ☐ No

Identification of major program:

Assistance Listing Number

93.778

21.023

21.027

93.558

93.568

20.507

14.218

Name of Federal Program or Cluster

Medicaid Cluster

Emergency Rental Assistance Program

Coronavirus State and Local Fiscal Recovery Funds

Temporary Assistance for Needy Families

Low-Income Home Energy Assistance Program

Federal Transit Cluster

Community Development Block Grants/Entitlement Grants

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

\$3,000,000

Auditee qualified as low-risk auditee?

No

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

SECTION I SUMMARY OF AUDIT RESULTS (CONTINUED)

State Awards

Internal control over major state programs:

Material weakness(es) identified? X Yes No

Significant deficiency(ies) identified? X Yes None reported

Type of auditor's report issued on compliance for
major state programs?

Unmodified

Any audit findings disclosed that are required to be reported in
accordance with the State Single Audit Implementation Act?

 X Yes No

Identification of major State program:

Program Name

Public School Building Capital Fund

Rural Operating Assistance Program (ROAP)

Other major state programs include Medical Assistance Program (Medicaid) and Emergency Rental Assistance Program which have a state match on the federal program. Therefore, these programs have been included in the major programs above.

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

SECTION II

FINANCIAL STATEMENT FINDINGS AND RESPONSES

2023-001 Accounts Payable

Criteria: Internal controls should be in place to ensure that financial statements properly present the financial position and results of the County in accordance with generally accepted accounting principles.

Condition: A misstatement was detected in the recognition and reporting of liabilities in the County Capital Projects fund as of June 30, 2023.

Context/Cause: During our testing of accounts payable, an issue was identified that required an audit adjustment to be posted to properly report the balances. The nature and magnitude of this adjustment is as follows:

An adjustment of \$1,409,110 was made to the County Capital Projects fund to record an expenditure and related accounts payable for an invoice relating to fiscal year 2023.

Effects: An audit adjustment for \$1,409,110 was needed to correct the above accounts in the County's general ledger as of and for the year ended June 30, 2023.

Recommendation: We recommend the County reconcile the balance sheet, each month, to the subsidiary ledgers in order to timely address variances in the account balance which are outside of expectations.

Auditee's Response: The Finance department will review year-end payment procedures with departmental staff and other Finance payment approvers. A systematic review of invoices will be conducted during the annual close process to ensure vendor payments are recorded in the proper fiscal year.

SECTION III

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2023-002 Significant Deficiency over Eligibility (Repeat Finding)

Information on the federal program: Medicaid Cluster (Medicaid), Assistance Listing Number 93.778, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services (NCDHHS), Division of Medical Assistance.

Criteria: Per the North Carolina Medicaid Assistance Program (Medicaid; Title XIX) Compliance Supplement and the DSS manuals (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual), case files for individuals or families receiving assistance are required to retain documentation to service as evidence for the appropriate eligibility determination, including:

- accurate computation of countable income and resources
- verification of unearned income
- verification of earned income

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

SECTION III

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

2023-002 Significant Deficiency over Eligibility (Repeat Finding) (Continued)

Condition: We noted one instance where the amount of unearned income was verified but not updated in NC FAST Online Verification System. We noted two instances where the applicant's citizenship were not validated at the time of application and two instances where a second proof of state residence verification were not obtained. We noted one instance where the onset date of the applicant's disability did not match the NC FAST Online Verification System.

Context/Cause: The County did not retain required documentation in case files at the time eligibility was determined. We noted the above conditions in 6 out of the 60 case files inspected for applicable payments.

Effects: Case files not containing all required documentation results in a risk that the County could provide services to individuals not eligible to receive such services or that such services could be denied to eligible individuals. For all 6 cases, subsequent to being notified that required documentation had not been retained in the case file, the County was able to obtain documentation to substantiate that the applicant tested were eligible to receive benefits.

Recommendation: We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policies and procedures in place to ensure that all eligibility determination documentation is completed and retained by the County.

Auditee's Response: We concur with the findings.

2023-003 Material Weakness over Subrecipient Monitoring

Information on the federal program: Emergency Rental Assistance Program (ERAP), Assistance Listing Number 21.023, U.S. Department of Treasury

Criteria: Per 2 CFR Section 200.332(b), an evaluation of each subrecipient's risk of noncompliance for purpose of determining the appropriate subrecipient monitoring must be performed. An entity should monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with terms and conditions of the subaward, and achieves performance goals per 2 CFR Section 200.332 (d) through (f).

Condition: We noted the County had one subrecipient for this program. The County did not perform or document a subrecipient risk assessment or internal control assessment for the subrecipient. Additionally, we noted no on-site visit or desk review was performed of the subrecipient during the fiscal year.

Context/Cause: The County did not perform a subrecipient risk assessment or internal control assessment and therefore the requirement for an on-site visit or desk review was not determined or performed. The County did review the subrecipient invoices for services rendered and determined the invoices were allowable and within the period of performance for the ERAP.

WAKE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

SECTION III

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

2023-003 Material Weakness over Subrecipient Monitoring (Continued)

Effects: Inadequate subrecipient monitoring could lead to unallowable costs or activities, cost occurring in the wrong period of performance, individuals receiving funding that were not eligible, or incorrect quarterly report and close out reports.

Recommendation: We recommend that the County create a subrecipient monitoring policy to monitor federal awards in accordance with the contract and Uniform grant guidance. The subrecipient monitoring policy should include performing a risk assessment to determine the level of subrecipient monitoring required. Additionally, we recommend the County conduct site visits and/or perform a random sampling of charges based on the results of the risk assessment.

Auditee's Response: The County acknowledges the recommendation on subrecipient monitoring. An organization-wide documented policy is being developed by the newly established Grants Management program officers. The new policy will meet current Federal guidance on subrecipient monitoring and will include resources and recommendations for County Departments to perform a risk assessment, internal control assessment, onsite visits, and desk reviews as applicable. The Housing Department will perform a program closeout monitoring for this program in the coming months.

SECTION IV

STATE AWARD FINDINGS AND QUESTIONED COSTS

Finding 2023-002 and 2023-003 as listed in Section III Federal Award Findings and Questioned Costs are also considered to be state award findings.

WAKE COUNTY, NORTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2023

2022-001 Significant Deficiency over Eligibility (Repeat Finding)

Criteria: Per the North Carolina Medicaid Assistance Program (Medicaid; Title XIX) Compliance Supplement and the DSS manuals (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual), case files for individuals or families receiving assistance are required to retain documentation to serve as evidence for the appropriate eligibility determination, including:

- accurate computation of countable income and resources
- verification of unearned income
- verification of earned income

Condition: We noted one instance where the amount of income verified through the NC FAST Online Verification System did not agree to the amount reported in the case file. We noted three instances where a vehicle was not added to the NCFast dashboard to count towards the applicant's resources. We noted one instance where the applicant's social security number and citizenship was not validated at the time of application.

Current Status: Repeat finding, 2023-002.

2022-002 Significant Deficiency over Activities Allowed and Unallowed and Allowable Costs/Cost Principles

Criteria: Per the NCDHHS policy manual, salaries, wages, and fringe benefits of Department of Social Service employees hired under the state merit system are allowable. Salaries shall be allocated to programs by time distribution methods and supported by payroll and attendance records for individuals.

Condition: Employee's time is tracked through the use of day sheets in which employees track their time by service code in 5-minute increments. Day sheets are used to complete weekly timesheets which are approved by supervisors. We noted three out of six day sheets selected for Chaffee Foster Care and three out of forty day sheets selected for TANF had more program minutes than what was reported on the employee's approved time sheet.

Current Status: Corrected.

2022-003 Material Weakness – Eligibility Second Party Reviews

Criteria: Per the DSS Administrative Letter for Economic and Family Service 07-2018, Work First Program Second Party Review Checklists must be completed at application and recertification for no less than 25% of the monthly ongoing Work First cases. The protocol must outline the persons responsible for completing the reviews and the process for follow-up as required. If second party reviews identify a trend in deficiencies; the County process for providing necessary training must also be outlined.

Condition: The County was not abiding by the State policy and procedures outlined above. Reviews were not taking place at the frequency level based on number of cases. The County only reviewed 12% of the required cases during the 2022 fiscal year.

Current Status: Corrected.



Finance Department

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FAX 919 856 6880

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www.wakegov.com

December 29, 2023

Wake County, North Carolina respectfully submits the following corrective action plans for the year ended June 30, 2023.

Name and address of independent public accounting firm:

Mauldin & Jenkins
4208 Six Forks Road, Ste 1000
Raleigh, NC 27609

Audit Period: June 30, 2023

The following Corrective Action Plans are in response to the audit findings reported in the FY 2023 Compliance Audit.

Finding 2023-001 Accounts Payable

Recommendation: We recommend the County reconcile the balance sheet, each month, to the subsidiary ledgers in order to timely address variances in the account balance which are outside of expectations.

Corrective Action Plan: The Finance department will review year-end payment procedures with departmental staff and other Finance payment approvers. A systematic review of invoices will be conducted during the annual close process to ensure vendor payments are recorded in the proper fiscal year.

Proposed Completion Date: June 30, 2024

Name of Contact Person: Seth Larson, Accounting Manager

Finding 2023-002 Significant Deficiency over Eligibility, repeat finding; Medicaid Cluster (Medicaid), Assistance Listing Number 93.778, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services (NCDHHS), Division of Medical Assistance.

Recommendation: We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policies and procedures in place to ensure that all eligibility determination documentation is completed and retained by the County.

Corrective Action Plan: The county will complete a quarterly review of errors in income, resources, and social security number and citizenship verification. For those staff identified by the targeted

review with errors in these areas, supervisors will provide refresher training on Medicaid policy requirements. Additional targeted reviews will be completed monthly until the deficiencies are corrected.

Proposed Completion Date: 1/31/2023 for initial quarterly review
2/28/2023 for refresher training for identified staff
7/31/2023 for additional reviews as needed for identified staff

Contact Person: Yolanda McInnis, Economic Services Division Director

2023-003 Material Weakness over Subrecipient Monitoring; Emergency Rental Assistance Program (ERAP), Assistance Listing Number 21.023, U.S. Department of Treasury

Recommendation: We recommend that the County create a subrecipient monitoring policy to monitor federal awards in accordance with the contract and Uniform grant guidance. The subrecipient monitoring policy should include performing a risk assessment to determine the level of subrecipient monitoring required. Additionally, we recommend the County conduct site visits and/or perform a random sampling of charges based on the results of the risk assessment.

Corrective Action: An organization-wide documented policy is being developed by the newly established Grants Management program officers. The new policy will meet current Federal guidance on subrecipient monitoring and will include resources and recommendations for County Departments to perform a risk assessment, internal control assessment, onsite visits, and desk reviews as applicable.

Proposed Completion Date: Upon completion and approval of the new subrecipient monitoring policy the County will implement the procedures within 180 days.

Name of Contact Person: Patrick Flanary, Chief Financial Officer

Sincerely yours,

DocuSigned by:

07578E64E6F6436...

W. Patrick Flanary
Chief Financial Officer