

**EFFINGHAM COUNTY, ILLINOIS
SINGLE AUDIT REPORT
YEAR ENDED NOVEMBER 30, 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**EFFINGHAM COUNTY, ILLINOIS
TABLE OF CONTENTS
YEAR ENDED NOVEMBER 30, 2023**

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	9
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	10



**INDEPENDENT AUDITORS' 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***

Chairman and Members of the County Board
Effingham County, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Effingham County, Illinois, as of and for the year ended November 30, 2023, and the related notes to the financial statements, which collectively comprise Effingham County, Illinois's basic financial statements, and have issued our report thereon dated July 3, 2024. Our report includes a reference to other auditors who audited the financial statements of Emergency Telephone System Board (ETSB), as described in our report on Effingham County, Illinois's financial statements. The financial statements of ETSB were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance or other matters associated with ETSB.

Report on Internal Control Over Financial Reporting

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

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

Chairman and Members of the County Board
Effingham County, Illinois

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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003, and 2023-004 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Effingham County, Illinois'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*.

Effingham County, Illinois's Response to Findings

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Champaign, Illinois
July 3, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER
COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Chairman and Members of the County Board
Effingham County, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Effingham County, Illinois's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Effingham County, Illinois's major federal programs for the year ended November 30, 2023. Effingham County, Illinois's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Effingham County, Illinois'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 Effingham County, Illinois's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Effingham County, Illinois'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 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 item 2023-005 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 Effingham County, Illinois's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Effingham County, Illinois'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 Auditors' 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 a certain deficiency in internal control over compliance that we consider to be 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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-005 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.

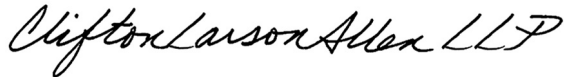
Government Auditing Standards requires the auditor to perform limited procedures on Effingham County, Illinois's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Effingham County, Illinois's response 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. Accordingly, this report is not suitable for any other purpose.

Chairman and Members of the County Board
Effingham County, Illinois

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

We have audited the modified cash basis financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Effingham County, Illinois as of and for the year ended November 30, 2023, and the related notes to the financial statements, which collectively comprise Effingham County, Illinois's basic financial statements. We have issued our report thereon, dated July 3, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Champaign, Illinois
July 3, 2024

EFFINGHAM COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED NOVEMBER 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
<i>Passed through Illinois Department of Human Services:</i>				
Supplemental Nutrition Program for Women, Infants, and Children (WIC) - Administration	10.557	2FCSZQ05419	\$ -	\$ 76,668
Supplemental Nutrition Program for Women, Infants, and Children (WIC) - Administration	10.557	2FCSZQ05443	-	11,524
Supplemental Nutrition Program for Women, Infants, and Children (WIC) - Administration	10.557	3FCSZQ05419	-	61,707
Supplemental Nutrition Program for Women, Infants, and Children (WIC) - Administration	10.557	3FCSZQ05443	-	7,988
Total U.S. Department of Agriculture			-	157,887
U.S. Department of Justice				
Direct - Equitable Sharing Program	16.922	N/A	-	390
Total U.S. Department of Justice			-	390
U.S. Department of Transportation				
<i>Passed through Illinois Department of Transportation:</i>				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	OP-23-10-FED	92,198	94,512
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106	2410-21001	-	22,897
Airport Obstruction Analysis	20.106	IH2-4371	-	12,067
Airport Apron Expansion	20.106	IH2-4559	-	14,406
Subtotal for 20.106			-	49,370
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	22EFFINHME	-	37,712
Total U.S. Department of Transportation			92,198	181,594
U.S. Department of Treasury				
Direct - COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	3,300,209
Total U.S. Department of Treasury			-	3,300,209
U.S. Environmental Protection Agency				
Direct - Performance Partnership Grants	66.605	N/A	-	200
Total U.S. Environmental Protection Agency			-	200
U.S. Department of Health and Human Services				
Direct - Provider Relief Fund	93.498	N/A	-	59,062
<i>Passed through Illinois Department of Human Services:</i>				
Social Services Block Grant	93.667	FCSBU06084	-	8,483
Social Services Block Grant	93.667	FCSBJ04005	22,850	22,850
Social Services Block Grant	93.667	FCSCJ04005	5,176	5,176
Subtotal for 93.667			28,026	36,509

See accompanying Notes to Schedule of Expenditures of Federal Awards.

EFFINGHAM COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services (Continued)				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	28180525J	\$ -	\$ 34,479
<i>Passed through Illinois Department of Public Health:</i>				
Public Health Emergency Preparedness	93.069	37180025K	-	47,809
Public Health Emergency Preparedness	93.069	47180025L	-	22,745
Subtotal for 93.069			-	70,554
Public Health Emergency Response	93.354	27680025J	-	70,976
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	48080427L	-	11,400
Immunization Cooperative Agreements	93.268	38180826K	-	77,332
Immunization Cooperative Agreements	93.268	15080625I	-	11,119
<i>Passed through Heluna Health:</i>				
ARISE Grant	93.268	20180049J	208,989	208,989
Subtotal for 93.268			208,989	297,440
Total U.S. Department of Health and Human Services			237,015	580,420
U.S. Department of Homeland Security				
<i>Passed through Illinois Emergency Management Agency:</i>				
2021 Emergency Management Performance Reallotment	97.042	22EMAEFFIN	-	22,396
Total U.S. Department of Homeland Security			-	22,396
Total Expenditures of Federal Awards			<u>\$ 329,213</u>	<u>\$ 4,243,096</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

EFFINGHAM COUNTY, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
NOVEMBER 30, 2023

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Effingham County, Illinois (the County) under programs of the federal government for the year ended November 30, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR 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 County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Effingham County.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Expenditures are recorded when paid. 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.

NOTE 3 INDIRECT COST

Effingham County has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 FEDERAL LOANS

Effingham County had no federal loans or loan guarantees outstanding at year-end.

**EFFINGHAM COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED NOVEMBER 30, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

- Dollar threshold used to distinguish between Type A and Type B programs: \$ \$750,000
- Auditee qualified as low-risk auditee? yes x no

**EFFINGHAM COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2023**

Section II – Financial Statement Findings

2023 – 001 – Financial Statement Preparation

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced. The County engages CliftonLarsonAllen LLP (CLA) to assist in preparing its financial statements and accompanying disclosures. As independent auditors, CLA cannot be considered part of the County’s internal control system. Management does review and approve the financial statements, including related footnotes and supplementary information.

Criteria or specific requirement: The Effingham County Board and management are responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements, including the related disclosures, in accordance with the modified cash basis of accounting, and Government Accounting Standards Board (GASB), where applicable to modified cash basis accounting.

Effect: The potential exists that a material misstatement of the annual financial statement could occur and not be prevented or detected by the County’s internal controls.

Cause: The County lacks sufficient resources to prepare the financial statements, related footnote disclosures.

Repeat finding: The finding is a repeat of a finding in the prior year. The prior year finding number was 2022-001.

Recommendation: Management should continue to evaluate their internal staff capacity to determine if an internal control policy over the annual financial reporting is beneficial.

Views of responsible officials and planned corrective actions: There is no disagreement with this finding. It is not financially feasible for Effingham County to support an internal auditor at this time.

**EFFINGHAM COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2023**

Section II – Financial Statement Findings (Continued)

2023 – 002 – Transfers In and Out

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: Transfers in and transfers out between funds did not balance at year end. In several instances, a transaction was recorded as a transfer in or out in one fund, but in the other fund it was not recorded as the corresponding transfer in/out, but rather was recorded as a revenue or expenditure.

Criteria or specific requirement: Generally accepted accounting principles require transfers in and transfers out to be in balance between funds, and they must be disclosed in the footnotes to the financial statements.

Effect: Improper reporting of parts of transfers in or out can misstate revenue or expenditures, along with other financing sources and uses.

Cause: Lack of adequate review of transfer in and out accounts.

Repeat finding: N/A

Recommendation: We recommend a monthly reconciliation of all transfer in and transfer out balances in each fund. This reconciliation should demonstrate that transfers in balance with transfers out in total. This reconciliation should be reviewed by someone other than the preparer and that review should be documented.

Views of responsible officials and planned corrective actions: There is no disagreement with this finding. In the past ARPA expenditures were transferred to the funds utilizing said monies to categorize ARPA expenditures. In 2024 procedures were implemented to pay ARPA expenditures directly from ARPA fund.

**EFFINGHAM COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2023**

Section II – Financial Statement Findings (Continued)

2023 – 003 – Preparation of the Schedule of Expenditures of Federal Awards

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The expenditures of a significant federal program was not included on the initial schedule of expenditures of federal awards (SEFA) provided.

Criteria or specific requirement: The Effingham County Board and management are responsible for establishing and maintaining internal controls and for the fair presentation of the SEFA in accordance with Uniform Grant Guidance.

Effect: Failure to establish an effective internal control can allow for material misstatements to the SEFA, including the determination and testing of incorrect major programs.

Cause: Lack of adequate review of the SEFA.

Repeat finding: The finding is a repeat of a finding in the prior year. The prior year finding number was 2022-003.

Recommendation: We recommend the County strengthen its process for reviewing the SEFA to ensure compliance with Uniform Grant Guidance.

Views of responsible officials and planned corrective actions: There is no disagreement with this finding. Previous SEFA template did not include ARPA funding due to misunderstanding of “lost revenue” requirements. New SEFA template to be used for future audits has ARPA funding included for future use.

**EFFINGHAM COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2023**

Section II – Financial Statement Findings (Continued)

2023 – 004 – Bank Reconciliations

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: There is no documented review of completed bank reconciliations by an individual other than the preparer.

Criteria or specific requirement: Management is responsible for establishing and maintaining internal controls over the bank reconciliation process to ensure proper recording of financial activity.

Effect: Errors or irregularities on bank reconciliations may occur and not be detected on a timely basis. In addition, misstatements could occur in financial reporting and not be prevented or detected by the internal controls designed.

Cause: Lack of adequate review procedures.

Repeat finding: The finding is a repeat of a finding in the prior year. The prior year finding number was 2022-004.

Recommendation: We recommend that all bank reconciliations should be reviewed on a timely basis by someone other than the preparer. This review should be documented by the reviewer's signature or initials and the date.

Views of responsible officials and planned corrective actions: There is no disagreement with this finding. Procedures requiring 2 signatures on all bank reconciliations were implemented late 2023.

**EFFINGHAM COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2023**

Section III – Findings and Questioned Costs – Major Federal Programs

2023 – 005 - Procurement

Federal Department of Treasury

Federal Program Name: Coronavirus State and Local Fiscal Recovery Funds (ARPA)

Assistance Listing Number: 21.027

Federal Award Identification Number and Year: 1505-0271; 2021

Pass-Through Agency: N/A

Pass-Through Number(s): N/A

Award Period: March 3, 2021 – December 31, 2024

Type of Finding:

- Material Weakness in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: Uniform Grant Guidance (2 CFR 200.318) requires the non-federal entity to maintain records sufficient to detail the history of procurement. Additionally, federal guidelines require the entity to have procedures documented to verify the vendor of a covered transaction (over \$25,000) is not debarred, suspended, or otherwise excluded from participating in the transaction, prior to entering into a covered transaction.

Condition: Certain purchases were not adequately documented supporting the lack of traditional procurement processes being required. Additionally, the County did not complete suspension and debarment procedures for covered transactions.

Questioned costs: None.

Context: In the testing of 4 of 7 procurement transactions, the County did not maintain appropriate documentation to support the history of procurement, which should include the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. Additionally, in the testing of 5 of 5 covered transactions, the County did not complete the required suspension and debarment procedures prior to purchase.

Cause: Timing of implementation of new controls occurred after some transactions had already been procured.

Effect: Lack of internal control procedures can lead to noncompliance with grant requirements.

Repeat finding: This is a repeat of prior year finding 2022-006.

**EFFINGHAM COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED NOVEMBER 30, 2023**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2023 – 005 (Continued)

Recommendation: We recommend ensuring procurement procedures are complete and in accordance with Uniform Grant Guidance for any federal purchases, and available for all departments. These procedures should include verifying vendors or contractors are not suspended or debarred from doing business, prior to contracting with them, and maintaining documentation of this. The County should consider adding a Federal Procurement Checklist that covers the applicable Uniform Guidance requirements that should be completed when making purchases and retained with other procurement documents.

Views of responsible officials: There is no disagreement with the audit finding.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.