

**CITY OF BALTIMORE, MARYLAND**

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

**For the Year Ended June 30, 2021**

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**JUNE 30, 2021**

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## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

The Mayor, City Council, and Board of Estimates  
City of Baltimore, Maryland

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, combining statement of fiduciary net position – Pension and OPEB Trust Funds, and the combining statement of changes in fiduciary net position – Pension and OPEB Trust Funds of the City of Baltimore, Maryland (the City) as of and for the year ended June 30, 2021 and the related notes to the financial statements.

### ***Management’s Responsibility for the Financial Statements***

The City’s management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor’s Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Employees’ Retirement System, the Elected Officials Retirement System, and the Fire and Police Employees’ Retirement System. These funds represent 87% of the total assets, 86% of the net position, and 87% of the additions of the Pension and OPEB Trust Funds. We also did not audit the Baltimore City Public School System (School System) and Baltimore Hotel Corporation, which are both discretely presented component units of the City. The financial statements of Baltimore City Public School System, Baltimore Hotel Corporation and certain of the Pension and OPEB Trust Funds were audited by other auditors whose reports have been furnished to us. Our opinions, insofar as they relate to the amounts included for the Baltimore City Public School System, Baltimore Hotel Corporation and certain Pension and OPEB Trust Funds are based on the reports of the other auditors except for the matter discussed in “Other Matters” below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

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

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



### ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, the combining statement of fiduciary net position- Pension and OPEB Trust Funds, and the combining statement of changes in fiduciary net position- Pension and OPEB Trust Funds of the City, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedule of expenditures of Federal awards, is presented for purposes of additional analysis as required by the *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 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.



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### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

### *Adjustments to Discretely Presented Component Unit Financial Statements Audited by Other Auditors*

As part of our audit of the City's 2021 financial statements, we also audited the adjustments described in Note 20 that were applied to adjust the financial statements of the Baltimore City Public School System (the School System), a discretely presented component unit of the City, as of and for the year ended June 30, 2021, including the restatement of certain 2021 financial statements' beginning balances in the financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2021 financial statements of the School System other than with respect to the adjustments, and accordingly, we do not express an opinion or any other form of assurance on the 2021 financial statements of the School System as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2022, our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Owings Mills, Maryland  
January 27, 2022

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



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

The Mayor, City Council, and Board of Estimates  
City of Baltimore, Maryland

***Report on the Financial Statements***

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 aggregate discretely presented component units, each major fund, the aggregate remaining fund information, the combining statement of fiduciary net position – Pension and OPEB Trust Funds, and the combining statement of changes in fiduciary net position – Pension and OPEB Trust Funds of the City of Baltimore, Maryland (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated January 27, 2022. Our report includes references to other auditors who audited the financial statements of the Employees’ Retirement System, the Elected Officials Retirement System, the Fire and Police Retirement System, Baltimore City Public Schools System, and Baltimore Hotel Corporation, as described in our report on the City’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

***Internal Control over Financial Reporting***

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

We did identify certain deficiencies, as described in the accompanying schedule of findings and questioned costs, which we consider to be material weaknesses as items 2021-001, 2021-002, 2021-003, 2021-004, 2021-005, 2021-006, and 2021-007.



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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

### **The City's Response to Findings**

The City's responses to the findings identified in our audit is described in the accompanying Schedule of Corrective Actions Plans. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

Owings Mills, Maryland  
January 27, 2022

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



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

The Mayor, City Council, and Board of Estimates  
City of Baltimore, Maryland

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

We have audited the City of Baltimore, Maryland's (the City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major Federal programs for the year ended June 30, 2021. The City's major Federal programs are identified in the summary of independent public accountants' results section of the accompanying Schedule of Findings and Questioned Costs.

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

### ***Management's Responsibility***

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the City's compliance.



***Basis for Qualified Opinion on the Housing Opportunities for People with AIDS, Workforce Innovation & Opportunity Act (WIOA) Cluster, Coronavirus Relief Fund, Temporary Assistance for Needy Families Cluster, Community Services Block Grant, HIV Emergency Relief Project Grants, and HIV Prevention Activities Programs***

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

<u>AL No.</u>	<u>Program Name</u>	<u>Finding No.</u>	<u>Basis for Qualified Opinion</u>
14.241	Housing Opportunities for Persons with AIDS	2021-009	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Payroll)
		2021-011	Material Weakness over Subrecipient Monitoring
17.258 17.259 17.278	Workforce Innovation & Opportunity Act (WIOA) Cluster	2021-012	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Payroll)
21.019	Coronavirus Relief Fund	2021-013	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principle (Payroll)
		2021-014	Material Weakness over Subrecipient Monitoring
93.558	Temporary Assistance for Needy Families Cluster	2021-015	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Payroll)
93.569	Community Services Block Grant	2021-016	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Payroll)
93.914	HIV Emergency Relief Project Grants	2021-019	Material Weakness over Cash Management
		2021-020	Material Weakness over Subrecipient Monitoring
93.940	HIV Prevention Activities	2021-021	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Payroll)
		2021-022	Material Weakness over Cash Management
		2021-023	Material Weakness over Period of Performance

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

***Qualified Opinion on the Housing Opportunities for People with AIDS, Workforce Innovation & Opportunity Act (WIOA) Cluster, Coronavirus Relief Fund, Temporary Assistance for Needy Families Cluster, Community Services Block Grant, HIV Emergency Relief Project Grants, and HIV Prevention Activities Programs***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Housing Opportunities for People with AIDS, Workforce Innovation & Opportunity Act (WIOA) Cluster, Coronavirus Relief Fund, Temporary Assistance for Needy Families Cluster, Community Services Block Grant, HIV Emergency Relief Project Grants, and HIV Prevention Activities Programs for the year ended June 30, 2021.



### ***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major Federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2021.

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal controls over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal controls over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal controls over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal controls over compliance. Accordingly, we do not express an opinion on the effectiveness of City's internal controls over compliance.

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

*A deficiency in internal controls over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal controls over compliance* is a deficiency, or combination of deficiencies, in internal controls over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal controls over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001 through 2021-009, 2021-011 through 2021-016, and 2021-019 through 2021-023, to be material weaknesses.

*A significant deficiency in internal controls over compliance* is a deficiency, or a combination of deficiencies, in internal controls over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal controls over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal controls over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2021-010, 2021-017, 2021-018, and 2021-024 to be significant deficiencies.

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





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

Owings Mills, Maryland  
September 23, 2022

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**CITY OF BALTIMORE, MARYLAND**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE (DOA)</u></b>				
Pass-Through Maryland Department of Health and Mental Hygiene				
<b>Special Supplemental Nutrition Program for Women, Infants, and Children</b>				
Women, Infants and Children Food Program (WIC)	10 557	WI 213 WIC	\$ -	\$ 1,821,926
<b>Total Special Supplemental Nutrition Program for Women, Infants, and Children</b>			-	1,821,926
Pass-Through Maryland State Department of Education				
Child Nutrition Cluster				
Summer Food Service Program for Children	10 559	347041	-	3,327,392
<b>Total Child Nutrition Cluster</b>			-	3,327,392
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE (DOA)</b>			-	5,149,318
 <b><u>U.S. DEPARTMENT OF COMMERCE (DOC)</u></b>				
<b>Minority Business Resource Development</b>				
Baltimore MIHUB Initiative Baltimore Manufacturing Innovation HUB Project	11 802	N/A	-	81,111
Minority Business Development Agency (MBDA) AMP Center Grant	11 802	N/A	-	241,506
<b>TOTAL U.S. DEPARTMENT OF COMMERCE (DOC)</b>			-	322,616
 <b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</u></b>				
<b>Community Development Block Grants/Entitlement Grants</b>				
CDBG-41	14 218	N/A	-	248,883
CDBG-42	14 218	N/A	-	359,951
CDBG-43	14 218	N/A	-	46,909
CDBG-44	14 218	N/A	-	79,490
CDBG-45	14 218	N/A	-	4,201,975
CDBG-46	14 218	N/A	-	13,531,960
CDBG-47	14 218	N/A	-	3,370
<b>Total Community Development Block Grants/Entitlement Grants</b>			-	18,472,540
 <b>Emergency Solutions Grant - Homeless Services</b>				
Emergency Solutions Grant - Homeless Services	14 231	N/A	877,535	3,826,063
<b>Total Emergency Solutions Grant - Homeless Services</b>			877,535	3,826,063

CITY OF BALTIMORE, MARYLAND

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) (continued)</b>				
<b>Home Investment Partnerships Program</b>				
HOME Program - St Ambrose	14 239	N/A	\$ -	\$ 178,467
HOME Program - Metro Greenmount Chase Apartments	14 239	N/A	-	985,445
HOME Program - 1234 McElderly Apartments	14 239	N/A	-	986,862
HOME Program - North Avenue Gateway II	14 239	N/A	-	222,255
HOME Program - Wallbrook Mill Apartments	14 239	N/A	-	22,357
HOME Program	14 239	N/A	-	483,861
<b>Total Home Investment Partnerships Program</b>			-	2,879,246
<b>Lead Hazard Reduction Demonstration Grant Program</b>				
FY2018 HUD Lead Program	14 239	N/A	-	80,118
<b>Housing Opportunity for Persons with AIDS</b>				
Housing Opportunity for Persons with AIDS (HOPWA)	14 241	N/A	3,079,433	7,531,787
<b>Total Housing Opportunity for Persons with AIDS</b>			3,079,433	7,531,787
<b>Continuum of Care</b>				
Continuum of Care - FY2017	14 267	N/A	2,290,295	5,769,100
Continuum of Care	14 267	N/A	-	2,628
Continuum of Care - FY2018	14 267	N/A	-	11,467,502
<b>Total Continuum of Care</b>			2,290,295	17,239,230
<b>Jobs-Plus Pilot Initiative</b>				
HABC - Gilmore Homes	14 895	N/A	-	28,145
<b>Lead-Based Paint Hazard Control in Privately-Owned Housing</b>				
Lead Based Paint Hazard Reduction	14 900	N/A	-	154,368
<b>Lead Hazard Reduction Demonstration Grant Program</b>				
EmpPOWER - MEET Energy Efficiency Tune-up	14 905	N/A	-	22,959
Pass-Through Maryland State Department of Education				
EmpPOWER Energy Efficiency Program	14 905	Unknown	-	223
<b>Total Lead Hazard Reduction Demonstration Grant Program</b>			-	23,182
Implementation of Childhood Lead Poisoning Prevention	14 913	N/A	-	215,295
<b>Total Healthy Homes</b>			-	215,295
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</b>			6,247,262	50,449,975
<b>U.S. DEPARTMENT OF JUSTICE (DOJ)</b>				
<b>Justice Systems Response to Families</b>				
Visitation Center Continuation	16 021	N/A	-	224,781
<b>Total Justice Systems Response to Families</b>				
<b>Community-Based Violence Prevention Program</b>				
Vision 21	16 582	N/A	-	34,487
<b>Total Community-Based Violence Prevention Program</b>			-	34,487
<b>Community-Based Violence Prevention Program</b>				
Hospital Responders	16 123	N/A	-	146,885
<b>Total Community-Based Violence Prevention Program</b>			-	146,885

**CITY OF BALTIMORE, MARYLAND**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF JUSTICE (DOJ) (continued)</b>				
<b>DNA Backlog Reduction Program</b>				
DNA Backlog Reduction Program	16 741	N/A	\$ -	\$ 235,324
<b>Total DNA Backlog Reduction Program</b>			-	235,324
<b>Baltimore City Wrongful Conviction Review Program</b>				
Baltimore City Wrongful Conviction Review Program	16 746	N/A	-	55,586
<b>Total Baltimore City Wrongful Conviction Review Program</b>			-	55,586
<b>Community Oriented Policing Services</b>				
COPS Hiring	16 710	N/A	-	38,321
<b>Total Community Oriented Policing Services</b>			-	38,321
<b>Smart Supervision: Reducing Prison Populations, Saving Money, and Creating Safer Communities</b>				
FY17 Smart Supervision: Reducing Prison Populations, Saving Money, and Creating Safer Communities	16 812	N/A	-	328,188
<b>Total Smart Supervision: Reducing Prison Populations, Saving Money, and Creating Safer Communities</b>			-	328,188
<b>Smart Prosecution Initiative</b>				
FY 2019 NCS-X Implementation Assistance Prog	16 734	N/A	-	54,694
<b>Total Smart Prosecution Initiative</b>			-	54,694
<b>Equitable Sharing Program</b>				
Coverdell Forensic Enhancements 2017	16 738	N/A	-	14,642
BJA FY 18 Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Local Solicitation	16 738	N/A	-	68,242
BJA FY 19 Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Local Solicitation	16 738	N/A	-	119,798
Ba Pass-Through Maryland Governor's Office of Crime Control and Prevention			-	100,000
Justice Assistance Grant (JAG XII)	16 738	Unknown	-	226,183
Justice Assistance Grant (JAG XIII)	16 738	Unknown	-	225,929
Justice Assistance Grant (JAG XIV)	16 738	Unknown	-	469,303
Law Enforcement Assisted Diversion	16 738	BJAG-2015-0036	-	78,766
Reducing Violent Crime	16 738	BJAG-2016-0017	-	10,149
<b>Total Edward Byrne Memorial Justice Assistance Grant</b>			-	1,339,371
<b>Juvenile Justice and Delinquency Prevention</b>				
Pre-Adjudication Coordination and Training (PACT) Evening Reporting Center	16 540	2018-JF-FX-0001	-	4,998
Pass-Through Baltimore City Public School System				
BCPSS - Alternative High School FY2018	16 541	Unknown	-	140,431
<b>Total Developing, Testing and Demonstrating Promising New Programs</b>			-	145,429

**CITY OF BALTIMORE, MARYLAND**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021**

U.S. DEPARTMENT OF JUSTICE (DOJ) (continued)

Pass-Through Maryland Governor's Office of Crime Control and Prevention

**Crime Victim Assistance**

Victim Witness Unit	16 575	Unknown	\$ -	\$ 1,668,610
Youth and Trauma Services	16 575	VOCA-2015-0001	-	183,176
VOCA Yr 3 Continuation Grant	16 575	VOCA-2015-0071	-	8,768
SART and Human Trafficking - VOCA	16 575	VOCA-2016-0035	547,662	1,358,401
SART and Human Trafficking - VOCA	16 575	Unknown	-	(78,549)
			<u>547,662</u>	<u>3,243,874</u>

**Total Crime Victim Assistance**

Pass-Through Maryland Governor's Office of Crime Control and Prevention

**Violence Against Women Formula Grants**

Sexual Assault	16 588	VAWA 2017-0003	-	126,452
			<u>-</u>	<u>126,452</u>

**Total Violence Against Women Formula Grants**

**Project Safe Neighborhoods**

Project Safe Neighborhoods	16 609	PSNM-2016-0002	-	124,913
			<u>-</u>	<u>124,913</u>

**Total Project Safe Neighborhoods**

**Juvenile Accountability Block Grants**

Pass-Through Maryland State Department of Juvenile Services

Department of Juvenile Services - Pre-Adjudication Coordination and Training	16 523	15-IG-011/V00P6400179	-	307,454
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**Total Juvenile Accountability Block Grants**

			<u>-</u>	<u>307,454</u>
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**TOTAL U.S. DEPARTMENT OF JUSTICE (DOJ)**

			<u>547,662</u>	<u>6,405,760</u>
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**CITY OF BALTIMORE, MARYLAND**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b><u>U.S. DEPARTMENT OF LABOR (DOL)</u></b>				
Pass-Through Maryland Department of Labor, Licensing and Regulation				
<b>Demonstration Grants</b>				
Opioid National Health Emergency Grant	17 280	P00P94-BCI-NHE	\$ 48,904	\$ 48,944
<b>Total Demonstration Grants</b>			<u>48,904</u>	<u>48,944</u>
<b>Family Health International (FHI-360)</b>				
Youth Works	17 270	Unknown	9,334	225,813
<b>Total Family Health International (FHI-360)</b>			<u>9,334</u>	<u>225,813</u>
WIOA Cluster				
<b>WIOA - Adult Program</b>				
WIOA - Adult Program	17 258	Unknown	135,314	2,642,785
<b>Total WIOA - Adult Program</b>			<u>135,314</u>	<u>2,642,785</u>
<b>Program Cost Pool</b>				
Fostering Opioid Recovery Grant	17 270		-	9,213
COVID-19 Dislocated Worker Grant	17 277		39,000	83,140
			<u>39,000</u>	<u>92,353</u>
<b>WIOA - Youth Activities</b>				
WIOA - Youth Activities	17 259	P00P94-BCI-PY18-Y	846,572	2,557,913
			<u>846,572</u>	<u>2,557,913</u>
<b>WIOA - Dislocated Worker Formula Grants</b>				
WIOA - Dislocated Worker Formula Grants	17 278	P00P94-BCI-PY18-D / P00P94-BCI-FY19-D	38,966	1,030,364
WIOA Career Pathway Grant	17 278	Unknown	65,518	100,775
			<u>104,484</u>	<u>1,131,138</u>
<b>Total WIOA Cluster</b>			<u>1,125,369</u>	<u>6,424,190</u>
<b>TOTAL U.S. DEPARTMENT OF LABOR (DOL)</b>			<u>1,183,606</u>	<u>6,698,947</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION (DOT)</u></b>				
Federal Transit Cluster				
<b>Federal Transit Formula Grants</b>				
Baltimore City Tour Bus Facility (FTA Grant)	20 507	N/A	-	(183)
<b>Total Federal Transit Cluster</b>			<u>-</u>	<u>(183)</u>
Highway Safety Cluster				
Pass-Through Maryland State Department of Transportation				
<b>State and Community Highway Safety</b>				
Traffic Safety - SHA	20 600	Unknown	-	3,211
<b>Total State and Community Highway Safety</b>			<u>-</u>	<u>3,211</u>



**CITY OF BALTIMORE, MARYLAND**

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Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION (DOT) (continued)				
Highway Planning and Construction Cluster				
Pass-Through Maryland State Department of Transportation				
<b>Highway Planning and Construction</b>				
25th St/Greenmount/Kirk TR19302	20 205	Unknown	\$ -	\$ 117,667
Annapolis Road Bridge	20 205	BC269-060-815	-	8,002,665
Belair Road Complete Sts #1123	20 205	410015	-	933,275
Belair Rd II & Erdman TR19301	20 205	BC 420014	-	64,614
Bike Network Proj-Design	20 205	Unknown	-	67,816
Broening Hwy Bridge over Colgate Creek & Associated Roadway Improvements	20 205	BC450006	-	952,615
CCTV Cameras/Signals TR15301	20 205	Unknown	-	6,545
Central Ave Phase 2	20 205	BC315-075-815	-	3,622,224
Charles Street at Friends School	20 205	BC410023	-	55,027
Citywide ADA & Sidewalk TR1231	20 205	Unknown	-	92
Clinton Street Concrete Pavement Rehabilitation Boston - Keith Ave	20 205	BC410020	-	1,483,412
D O T Park Circle Intersection	20 205	BC319-012-815	-	27,632
Downtown Bicycle Network TR13321	20 205	AX2615225	-	79,390
Druid Hill Park	20 205	BC315-067-815	-	321
East Baltimore Life Science Pk - 2A	20 205	BC440002	-	826
Edison Hwy over Amtrak Bridge Rehab	20 205	269-087-815	-	1,933,053
Edmondson Ave Bridge over CSX	20 205	BC269-066-815	-	10,265,932
Fiber Optic & Communication System	20 205	Unknown	-	8,428
Field Investigation for Geometrics, Signals and Utilities;CCTV Sites & Fiber Commun ;Traffic Signal Systemization	20 205	BC 319-017-815, BC 319-018-815 & BC 319-022-815	-	141,906
Fulton Avenue Bridge TR12310	20 205	420005	-	152
Frederick Ave - S Beechfield (Emergency Repair)	20 205	Unknown	-	12,112
Geometric Improvements	20 205	Unknown	-	687
Geometric Safety/Sig TR18301	20 205	BC410025	-	158,635
Geometric Safety Improvements - Phase II at Corse Ave & Frankford Ave and at Hamilton Ave & Frankford Ave	20 205	BC410021	-	4,321
Greenmount 29th - 43rd TR14302	20 205	420002	-	904,853
Hanover St Bridge over Middle Branch	20 205	BC269-073-815	-	23,658
Harford Road Bridge over Herring Run	20 205	BC269-067-815	-	8,296,676
Hawkins Point Road Bridge/ Pennington Ave Empowerment, PE	20 205	BC269-059-815	-	28,671
I-83 Phase II TR13301	20 205	420006	-	64,666

**CITY OF BALTIMORE, MARYLAND**

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Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF TRANSPORTATION (DOT) (continued)</b>				
Pass-Through Maryland State Department of Transportation				
<b>Highway Planning and Construction (continued)</b>				
<b>Highway Planning and Construction</b>				
Inner Harbor Water Taxi Terminal	20 205	BC440005	\$ -	\$ 752,423
Jones Falls Trail - Phase V	20 205	BC460001	-	107,771
Jones Falls Greenway Phase V	20 205	BC460001	-	69,611
Key Highway Street Improvement	20 205	BC319-015-815	-	89,175
Madison/Milton/Edison TR19305	20 205	Unknown	-	174,900
Midtown Streetscape - Mt Royal Avenue Improvements	20 205	BC315-101-815	-	13,989
MLK Blvd at Howard St Intersection Widening/Imprvmt	20 205	BC315-112-815/322-002-815	-	136,674
N Fremont/Lafayette TR 19304	20 205	Unknown	-	162,426
Park Heights/Rogers/Strath TR19303	20 205	Unknown	-	161,805
Patapsco/Magnolia TR19307	20 205	BC420016	-	90,403
Penning/Birch/Ordnance TR19306	20 205	Unknown	-	126,631
Perring Pkwy Off-Ramp Bridge Repl	20 205	450003	-	164
Preston Gardens Infrastructure TR12308	20 205	AX09135125	-	1,698
Reconst East North Avenue from Aisquith St to Wolf St	20 205	BC315-079-815	-	1,232
Remington Ave Bridge/Stoney Run	20 205	450004	-	16,368
Resurfacing Franklin Street	20 205	BC420008	-	1,953
Resurfacing Southwest - Sector III TR 13306	20 205	410003	-	171
Russell Street & Monroe Street Ramp to Russell Street over CSXT	20 205	BC269-084-815	-	2,160
Safe Routes to School Infrastructure Projects	20 205	AX933B52	-	35,661
Safe Route G	20 205	BC410022	-	1,489
Sisson Street over CSX	20 205	269-086-815	-	453
Traffic Safety Project	20 205	410013	-	2,455
Traffic Safety Improvements Citywide	20 205	Unknown	-	120,284
Variable Message Signs	20 205	BC 319-007-815	-	18,626
West North Ave at Pennsylvania Ave	20 205	Unknown	-	129,739
Wilkins Ave Bridge over Gwynns Falls	20 205	BC269-071-815	-	42,571
<b>Total Highway Planning and Construction</b>			-	39,518,703
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION (DOT)</b>			-	39,521,730

**CITY OF BALTIMORE, MARYLAND**

**Schedule of Expenditures of Federal Awards  
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Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b><u>U.S. DEPARTMENT OF THE TREASURY</u></b>				
<b>Coronavirus Relief Fund</b>				
Coronavirus Relief Fund (CARES)-COVID 19	21 019	N/A	\$ -	\$ 54,097,259
Emergency Rental Assistance-COVID 19				
Emergency Rental Assistance-COVID 19	21 023	N/A	-	12,016,095
<b>Total Coronavirus Relief Fund</b>			-	66,113,354
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>			-	66,113,354
<b><u>ENVIRONMENTAL PROTECTION AGENCY (EPA)</u></b>				
Pass-Through Maryland State Department of the Environment				
Clean Water State Revolving Fund Cluster				
<b>Capitalization Grants for Clean Water State Revolving Funds</b>				
Various Sewershed Improvements	66 458	Unknown	-	30,151
<b>Total Clean Water State Revolving Fund Cluster</b>			-	30,151
Drinking Water State Revolving Fund Cluster				
<b>Capitalization Grants for Drinking Water State Revolving Funds</b>				
Drinking Water Program - Druid Lake Water Tanks	66 468	Unknown	-	14,926,916
<b>Total Drinking Water State Revolving Fund Cluster</b>			-	14,926,916
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY (EPA)</b>			-	14,957,067
<b><u>U.S. DEPARTMENT OF ENERGY (DOE)</u></b>				
Pass-Through Maryland State Department of Housing and Community Development				
<b>Weatherization Assistance for Low-Income Persons</b>				
DOE Weatherization	81 042	R340649	-	9,137
<b>TOTAL U.S. DEPARTMENT OF ENERGY (DOE)</b>			-	9,137
<b><u>U.S. DEPARTMENT OF EDUCATION (ED)</u></b>				
Pass-Through Maryland State Department of Education				
Special Education Cluster (IDEA)				
<b>Special Education Grants to States</b>				
Special Education Grants for Infants and Families	84 181	Unknown	613,615	1,728,462
<b>TOTAL U.S. DEPARTMENT OF EDUCATION (ED)</b>			613,615	1,728,462
<b><u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES (IMLS)</u></b>				
Pass-Through Maryland State Department of Education				
<b>Grants to States</b>				
Ask Us Now - MD Ask Us Now	45 310	Unknown	-	(743)
<b>TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES (IMLS)</b>			-	(743)

CITY OF BALTIMORE, MARYLAND

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Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)</b>				
<b>Project Grants and Cooperative Agreements for Tuberculosis Control Programs</b>				
Tuberculosis Elimination and Laboratory	93 116	N/A	\$ -	\$ 185,626
<b>Total Project Grants and Cooperative Agreements for Tuberculosis Control Programs</b>			-	185,626
<b>Reservoir Hill Improvement</b>				
Accountable Health Communities	93 650	N/A	-	888,118
<b>Total Reservoir Hill Improvement</b>			-	888,118
<b>Injury Prevention and Control Research and State and Community Based Programs</b>				
Preventing Teen Dating and Youth Violence	93 136	N/A	148,210	1,052,982
Mental Health Services	93 136	N/A	30,751	440,542
<b>Total Injury Prevention and Control Research and State and Community Based Programs</b>			178,961	1,493,524
<b>Substance Abuse and Mental Health Services Projects of Regional and National Significance</b>				
ReCAST W Balto Empower Comm-Maternal and Child Health-HCAM	93 243	N/A	864,395	3,689,592
<b>Total Substance Abuse and Mental Health Services Projects of Regional and National Significance</b>			864,395	3,689,592
<b>Teenage Pregnancy Prevention Program</b>				
U-Choose Evidence Based Teen Pregnancy Prevention	93 297	N/A	702,375	904,830
<b>Total Teenage Pregnancy Prevention Program</b>			702,375	904,830
<b>Head Start</b>				
CAA Children's Services - Head Start FY2018	93 600	N/A	-	7,810,458
<b>Total Head Start</b>			-	7,810,458
Ending the HIV Epidemic	93 686	N/A	-	443,845
<b>Total Ending the HIV Epidemic</b>			-	443,845
<b>HIV Emergency Relief Project Grants</b>				
Part A COVID-19	93 914	N/A	630,914	697,835
Ryan White II - A - Minority AIDS	93 914	N/A	14,270,297	15,314,902
<b>Total HIV Emergency Relief Project Grants</b>			14,901,211	16,012,737
<b>HIV Prevention Activities Health Department Based</b>				
Comprehensive HIV Prevention Project	93 940	N/A	-	3,291,444
Comprehensive HIV Prevention Project	93 940	N/A	-	9,375
Partnership for Care	93 940	N/A	-	68
HIV Infections for MSM and Transgender	93 940	N/A	-	417,064
HIV Infections for MSM and Transgender	93 940	N/A	-	38,521
HIV Infections for MSM of Color	93 940	N/A	-	830,585
<b>Total HIV Prevention Activities Health Department Based</b>			-	4,587,057
<b>Preventive Health Services Sexually Transmitted Diseases Control Grants</b>				
Sexually Transmitted Disease Control Program	93 977	N/A	-	1,046,952
Sexually Transmitted Disease Surveillance Network	93 977	N/A	-	41,354
Pass-Through Maryland State Department of Health Sexually Transmitted Disease/HIV Partner Counseling & Referral Services (PCRS)	93 977	CH 051 STD	-	349,720
<b>Total Preventive Health Services Sexually Transmitted Diseases Control Grants</b>			-	1,438,026
<b>Preventive Health Services Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants</b>				
USHINE	93 978	N/A	-	1,001,805

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<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)</b>				
Pass-Through Maryland State Department of Aging				
<b>Special Programs for the Aging Title VII, Chapter 2 Long Term Care</b>				
<b>Ombudsman Services for Older Individuals</b>				
Title VII Older Americans Act Ombudsman/Elder Abuse FY2018	93 042	AAA-3-24-003	\$ -	\$ 22,093
<b>Total Special Programs for the Aging Title VII, Chapter 2 Long Term Care</b>			-	22,093
<b>Ombudsman Services for Older Individuals</b>				
<b>Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services</b>				
Title IIID Disease Prevention and Health Promotion Services	93 043	AAA-3-24-003	-	9,892
<b>Total Preventive Health Services Sexually Transmitted Diseases Control Grants</b>			-	9,892
<b>Aging Cluster</b>				
<b>Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers</b>				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93 044	AAA-3-24-003	-	32,885
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93 044	AAA-3-24-003	-	206,685
<b>Total Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers</b>			-	239,570
<b>Special Programs for the Aging, Title III, Part C, Nutrition Services</b>				
Special Programs for the Aging, Title III, Part C, Congregate Meals	93 045	AAA-3-24-003	-	475,571
Community Services	93 045	AAA-3-24-003	-	137,663
Families First	93 045	AAA-3-24-003	-	706,035
Community Services	93 071		-	26,967
<b>Total Special Programs for the Aging, Title III, Part C, Nutrition Services</b>			-	1,346,236
<b>Total Aging Cluster</b>			-	1,585,806
<b>Special Programs for the Aging Title IV and Title II Discretionary Projects</b>				
Senior Medicare Patrol	93 048	Unknown	-	17,238
<b>Special Programs for the Aging Title IV and Title II Discretionary Projects</b>			-	17,238
<b>National Family Caregiver Support, Title III, Part E</b>				
Older Americans Act Title IIIE	93 052	AAA-3-24-003	-	279,918
<b>Total National Family Caregiver Support, Title III, Part E</b>			-	279,918
<b>Public Health Emergency Preparedness</b>				
Pass-Through Maryland State Department of Health				
Public Health Emergency Preparedness	93 323	Unknown	-	747,999
Public Health Emergency Preparedness (PHER)	93 069	Unknown	114,043	360,297
Public Health Emergency Preparedness (PHER)	93 069	CH 831 PHP	-	19,587
<b>Total Public Health Emergency Preparedness</b>			114,043	1,127,883
<b>Affordable Care Act (ACA) - Personal Responsibility Education Program</b>				
ACA - Personal Responsibility Education Program	93 092	FHB 66 PRE	110,000	135,681
<b>Total Affordable Care Act (ACA) - Personal Responsibility Education Program</b>			110,000	135,681

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Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)</b>				
Pass-Through Maryland State Department of Health (continued)				
<b>Family Planning Services</b>				
Reproductive Health/Family Planning	93 217	FH 201 FFP	\$ 382,634	\$ 1,366,991
<b>Total Family Planning Services</b>			<u>382,634</u>	<u>1,366,991</u>
<b>ACA - Abstinence Education Program</b>				
Sexual Risk Avoidance Grant	93 235	AD750SRA	50,000	314,746
ACA - Abstinence Education Program	93 235	FH 807 ABS	-	14,480
<b>Total ACA - Abstinence Education Program</b>			<u>50,000</u>	<u>329,225</u>
<b>Immunization Cooperative Agreements</b>				
Baltimore City Immunization Program	93 268	CH 054 IMM	-	623,315
Immunization - Hepatitis B	93 268	CH 350 IMM	-	93,941
<b>Total Immunization Cooperative Agreements</b>			<u>-</u>	<u>717,256</u>
<b>Adult Viral Hepatitis Prevention and Control</b>				
Community Based Program to Test & Cure Hepatitis C	93 270	AD 712 HCV	-	40,317
<b>Total Adult Viral Hepatitis Prevention and Control</b>			<u>-</u>	<u>40,317</u>
<b>HIFA Expansion</b>				
HIFA Expansion	93 870	FHD 39 MIC	1,451,522	2,286,025
<b>Total HIFA Expansion</b>			<u>1,451,522</u>	<u>2,286,025</u>
<b>State Public Health Actions to Prevent and Control Diabetes, Heart Disease, Obesity and Associated Risk Factors and Promote School Health financed in part by Prevention and Public Health Funding (PPHF)</b>				
Administrative Care Coordination	93 767	MA 005 EPS	1,502,964	1,839,484
MCHP Eligibility	93 767	MA 157 ACM	2,433,483	2,475,342
<b>Total Children's Health Insurance Program</b>			<u>3,936,447</u>	<u>4,314,826</u>
<b>Medicaid Cluster</b>				
<b>Medical Assistance Program</b>				
General Transportation Services	93 778	MA 365 GTS	-	7,685,004
Healthy Start Program - Expanded ACC	93 778	MA 411 HSP	1,241,356	1,343,987
<b>Total Medicaid Cluster</b>			<u>1,241,356</u>	<u>9,028,991</u>
<b>HIV Care Formula Grants</b>				
Ryan White B - Consortia Services	93 917	AD 419 RWS	-	47,980
<b>Total HIV Care Formula Grants</b>			<u>-</u>	<u>47,980</u>

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Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) (continued)</b>				
Pass-Through Maryland State Department of Health (continued)				
<b>Maternal and Child Health Services Block Grant to the States</b>				
CORE Public Health Services	93 994	CH 560 CFT	\$ -	\$ 587,064
Child Health Systems Improvement	93 994	FHC 69 CHS	91,717	1,290,844
Healthy Homes	93 994	Unknown	-	121,148
Medical Home Project	93 994	CH 929 MHP	-	42,215
Surveillance and Quality Improvement	93 994	FHD 62 SQI	63,255	233,316
<b>Total Maternal and Child Health Services Block Grant to the States</b>			154,972	2,274,587
<b>Temporary Assistance for Needy Families Cluster</b>				
<b>Temporary Assistance for Needy Families (TANF)</b>				
Pass-Through Maryland State Department of Human Services				
DSS-Summer Youth Employment Program	93 558	Unknown	-	1,750,821
Workforce Services for TANF Recipients/Family Investment	93 558	Unknown	-	2,352,421
<b>Total Temporary Assistance for Needy Families (TANF)</b>			-	4,103,242
<b>Refugee and Entrant Assistance Targeted Assistance Grants</b>				
Refugee Targeted Assistance	93 584	1701MDRTAG	-	368,515
<b>Total Refugee and Entrant Assistance Targeted Assistance Grants</b>			-	368,515
<b>Child Support Enforcement</b>				
Cooperative Reimbursement - Child Support Enforcement	93 563	Unknown	-	12,751
<b>Total Child Support Enforcement</b>			-	12,751
<b>Low-Income Home Energy Assistance</b>				
OHEP - MEAP FY2017	93 568	CSA/EA-07/04-30	-	30,391
OHEP	93 568	Unknown	-	4,384,701
<b>Total Low-Income Home Energy Assistance</b>			-	4,415,092
Pass-Through Maryland State Department of Housing and Community Development				
<b>Community Services Block Grant</b>				
Community Services Block Grant FY2018	93 569	Unknown	-	4,264,013
<b>Total Community Services Block Grant</b>			-	4,264,013
Pass-Through Behavioral Health Systems Baltimore				
<b>Block Grants for Prevention and Treatment of Substance Abuse</b>				
Alcohol Assessment Unit	93 959	AS019-AAU-BCCA	-	396,349
Forensic Alternative Services Team (FAST)	93 959	MH327-20A-BCCB	-	569,414
<b>Total Block Grants for Prevention and Treatment of Substance Abuse</b>			-	965,763
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)</b>			24,087,917	76,169,705
<b>CORPORATION FOR NATIONAL &amp; COMMUNITY SERVICE (CNCS)</b>				
<b>Retired and Senior Volunteer Program</b>				
Retired and Senior Volunteer Program	94 002	N/A	-	103,237
<b>Total Retired and Senior Volunteer Program</b>			-	103,237

CITY OF BALTIMORE, MARYLAND

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b><u>CORPORATION FOR NATIONAL &amp; COMMUNITY SERVICE (CNCS) (continued)</u></b>				
<b>Senior Companion Program</b>				
Senior Companion Program	94 016	N/A	\$ -	\$ 231,384
<b>Total Foster Grandparent/Senior Companion Cluster</b>			-	231,384
<b>TOTAL CORPORATION FOR NATIONAL &amp; COMMUNITY SERVICE (CNCS)</b>			-	334,621
<b><u>EXECUTIVE OFFICE OF THE PRESIDENT (EOP)</u></b>				
<b>High Intensity Drug Trafficking Areas Program (HIDTA)</b>				
High Intensity Drug Trafficking Areas Program (HIDTA)	95 001	N/A	-	84,266
<b>TOTAL EXECUTIVE OFFICE OF THE PRESIDENT (EOP)</b>			-	84,266
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY (DHS)</u></b>				
<b>Port Security Grant Program</b>				
Port Security FY 19	97 056	N/A	-	294,136
Homeland Security - Intelligence - Port Security Grant Program	97 056	N/A	-	10,313
<b>Total Port Security Grant Program</b>			-	304,449
<b>Staffing for Adequate Fire and Emergency Response Grant</b>				
Staffing for Adequate Fire and Emergency Response Grant	97 083	N/A	-	933,705
<b>Total Staffing for Adequate Fire and Emergency Response Grant</b>			-	933,705
<b>Assistance to Firefighters</b>				
FY17 Assistance to Firefighters Grant	97 044	N/A	-	119,759
Assistance to Fire Firegrant Grant	97 044	N/A	-	47,238
Fire Facilities Maint Replacement	97 044	N/A	-	198,746
<b>Total Assistance to Firefighters</b>			-	365,743
Pass-Through Maryland Emergency Management Agency				
<b>Homeland Security Grant Program</b>				
FY2017 Urban Area Security Initiative (UASI)	97 067	Unknown	-	224,782
FY2017 State Homeland Security Grant Program	97 067	Unknown	-	304,629
FY19 Urban Area Security Initiative	97 067	Unknown	-	341,802
FY19 State Homeland Security Grant Program	97 067	Unknown	-	23,974
Homeland Security Grant Program	97 067	Unknown	-	(45,943)
<b>Total Homeland Security Grant Program</b>			-	849,244
FY21 Emergency Management Performance Grant	97 042	Unknown	-	141,087
<b>Total FY21 Emergency Management Performance Grant</b>			-	141,087
FY20 Regional Catastrophic Preparedness Grant Program	97 111	N/A	-	131,694
Total FY20 Regional Catastrophic Preparedness Grant Program			-	131,694
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY (DHS)</b>			-	2,725,922
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 32,680,062	\$ 270,670,137



## **CITY OF BALTIMORE, MARYLAND**

### **Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2021**

#### **1. BASIS OF PRESENTATION**

All Federal grant operations of the City are included in the scope of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance or the Single Audit). The Single Audit was performed in accordance with the provisions of the Office of Management and Budget (OMB) Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the major grant programs noted below. The programs on the schedule of expenditures of Federal awards (the Schedule) represents all Federal award programs with fiscal year 2021, cash or non-cash expenditure activities. For single audit testing, we tested to ensure coverage of at least 40% of Federally granted funds. Actual coverage is 85%. The major programs tested are listed in Section I of the Schedule of Findings and Questioned Costs.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Expenditures of Federal award grant funds are made for the purposes specified by the grantor and are subject to certain restrictions. Expenditures are also subject to audit by the relevant Federal agency. In the opinion of management, disallowed costs, if any, from such audits will not have a material effect on this Schedule or the financial position of the City.

#### **3. INDIRECT COST RATE**

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

#### **4. FEDERAL LOANS**

The State Capitalization Grants are revolving loan funds for the Water, Wastewater and Stormwater funds. Federally funded new loan proceeds provided under this program are included as expenditures on the Schedule in the year incurred; Expenditures during the current year reported in the Schedule amounted to \$3,550,778 for Assistance Listing (AL) No. 66.458 and \$791,500 for AL No. 66.468. Loans outstanding as of June 30, 2021 was \$485,517,660.

In addition to the Capitalization Grants from the State Revolving fund the City, has borrowed funds under the Department of Housing and Urban Development (HUD) 108 loan program for Assistance Listing 14.218. These loans made under the Federal Community Development Block Grant (CDBG) program and will be repaid from future CDBG revenues. During Fiscal Year 2021, the City made no addition loans under this program. Loans outstanding as of June 30, 2021 was \$11,018,000

## **CITY OF BALTIMORE, MARYLAND**

### **Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2021**

#### **4. FEDERAL LOANS (continued)**

Both the current and prior year loans are reported in the Schedule of Changes in Long-Term Liabilities in the City's 2021 Comprehensive Annual Financial Report.

##### **Revolving Loan – Program Income**

The City has a \$1,000,000 revolving loan program for low-income housing renovation. Under this Federal program repayments to City are considered revenues and loans of such funds to eligible recipients are considered expenditures. For the year ended June 30, 2021, there were no amounts recorded as principal and interest as they were immaterial to the City's financial statements as a whole.

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Section I – Summary of Independent Public Accountants’ Results**

**Financial Statements**

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

**Federal Awards**

Type of independent public accountants' report issued	Unmodified
Internal control over major programs:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Type of independent public accountants report issued on compliance for major programs	
Housing Opportunities for Persons with AIDS	Qualified
Workforce Innovation & Opportunity Act (WIOA) Cluster	Qualified
Coronavirus Relief Fund	Qualified
Temporary Assistance for Needy Families Cluster	Qualified
Community Services Block Grant	Qualified
HIV Emergency Relief Project Grants	Qualified
HIV Prevention Activities	Qualified
All others	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	Yes

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

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

**Identification of Major Programs**

<u>Name of Federal Major Programs</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
<b>US Department of Agriculture</b>		
Child Nutrition Cluster	10.559	\$ 3,327,392
<b>US Department of Housing and Urban Development</b>		
Community Services Block Grant	14.218	18,472,540
Total Emergency Solutions Grant Program	14.231	3,826,063
Total Housing Opportunity for Persons with AIDS	14.241	7,531,787
Total Continuum of Care Program	14.267	17,239,230
<b>US Department of Transportation</b>		
Highway Planning and Construction	20.205	39,518,703
<b>US Department of Treasury</b>		
Total Coronavirus Relief Fund	21.019	54,097,259
Emergency Rental Assistance Program	21.023	10,739,986
<b>US Department of Justice</b>		
Special Victim's Unit	16.575	3,243,874
<b>US Department of Labor</b>		
	17.258	
Workforce Innovation & Opportunity Act Cluster	17.259	6,424,190
	17.278	
<b>US Environmental Protection Agency</b>		
Capitalization Grants for Clean Water State Revolving Funds	66.458	30,151
Capitalization Grants for Drinking Water State Revolving Funds	66.468	14,926,916
<b>US Department of Health and Human Services</b>		
Temporary Assistance for Needy Families	93.558	4,103,242
Community Services Block Grant	93.569	4,264,013
Head Start	93.600	7,810,458
Children's Health Insurance Program (CHIP)	93.767	4,314,826
Medical Assistance Program (Medicaid Cluster)	93.778	9,028,991
Total HIV Emergency Relief Project Grants	93.914	16,012,737
HIV Prevention Activities	93.940	4,587,057
<b>Total</b>		<b><u>\$ 229,499,416</u></b>

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

**Auditee qualified as low-risk Auditee?** No

**Section II Financial Statement Findings**  
See findings 2021-001 through 2021-006

**Section III Federal Awards Findings and Questioned Costs**  
See findings 2021-007 through 2021-024

**Section IV Summary Schedule of Prior Year Findings**  
See findings 2020-001 through 2020-041

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**SECTION II – FINANCIAL STATEMENT FINDINGS**



# CITY OF BALTIMORE

## Schedule of Findings and Questioned Costs Year Ended June 30, 2021

Finding No	AL No	Funding Department	Title of Finding
Financial Statement Findings:			
Material Weaknesses:			
2021-001	All	All	Material Weakness over Grant Accounting Function
2021-002	All	All	Material Weakness over Financial Reporting Function
2021-003	All	All	Material Weakness over Payroll Timekeeping Function
2021-004	All	All	Material Weakness over Water and Wastewater Billing Function
2021-005	All	All	Material Weakness over Fixed Assets Accounting
2021-006	All	All	Material Weakness over Information Technology Security
Federal Awards Findings and Questioned Costs:			
Material Weaknesses:			
2021-007	All	All	Material Weakness over Schedule of Expenditures of Federal Awards (SEFA) Reporting
2021-008	14 218	U S Department of Housing and Urban Development	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Payroll)
2021-009	14 241	U S Department of Housing and Urban Development	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles
2021-011	14 241	U S Department of Housing and Urban Development	Material Weakness over Subrecipient Monitoring
	17 258		
	17 259		
2021-012	17 278	U S Department of Labor	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Payroll)
2021-013	21 019	U S Department of the Treasury	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principle (Payroll)
2021-014	21 019	U S Department of the Treasury	Material Weakness over Subrecipient Monitoring
2021-015	93 558	U S Department of Health and Human Services	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principle (Payroll)
2021-016	93 569	U S Department of Health and Human Services	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principle (Payroll)
2021-019	93 914	U S Department of Health and Human Services	Material Weakness over Cash Management
2021-020	93 914	U S Department of Health and Human Services	Material Weakness over Subrecipient Monitoring
2021-021	93 940	U S Department of Health and Human Services	Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Cost Principle (Payroll)
2021-022	93 940	U S Department of Health and Human Services	Material Weakness over Cash Management
2021-023	93 940	U S Department of Health and Human Services	Material Weakness over Period of Performance

# CITY OF BALTIMORE

## Schedule of Findings and Questioned Costs Year Ended June 30, 2021

Finding No	AL No	Funding Department	Title of Finding
Significant Deficiencies:			
2021-010	14 239	U S Department of Housing and Urban Development	Significant Deficiency over Reporting
2021-017	93 767	U S Department of Health and Human Services	Significant Deficiency over Period of Performance
2021-018	93 778	U S Department of Health and Human Services	Significant Deficiency over Reporting
2021-024	93 940	U S Department of Health and Human Services	Significant Deficiency over Reporting

# CITY OF BALTIMORE

## Schedule of Findings and Questioned Costs Year Ended June 30, 2021

### Finding 2021-001

**Programs:** All

#### Material Weakness over Grant Accounting Function

**Repeat Finding:** Yes

***Condition:***

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

***Criteria:***

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

***Cause:***

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

***Effect:***

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

***Questioned Costs:***

Unknown.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-001 (continued)**

***Recommendation:***

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

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

## **CITY OF BALTIMORE**

### **Schedule of Findings and Questioned Costs Year Ended June 30, 2021**

#### **Finding 2021-002**

**Programs:** All

#### **Material Weakness over Financial Reporting**

**Repeat Finding:** Yes

##### ***Condition:***

The City had a number of post year-end adjustments to its fiscal year 2021 financial statements. Such adjustments relate to errors (both material and immaterial) undiscovered throughout the fiscal year.

##### ***Criteria:***

In accordance with Uniform Guidance, the City must maintain an adequate system of internal control over financial reporting in order to initiate, authorize, record, process and report financial data reliably in accordance with generally accepted accounting principles.

##### ***Cause:***

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

The City does not have adequate financial reporting software that can generate financial statements for a governmental entity and requires significant manual changing of data to create the financial statements. The City has invested in new software but as of June 30, 2021 was still working to customize the software for the City's needs and had not yet fully implemented any functions of the software.

##### ***Effect:***

The City had significant audit adjustments for the year ended June 30, 2021. Additionally, the interim financial information produced by the City may be inaccurate.

##### ***Questioned Costs:***

Unknown.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-002 (continued)**

***Recommendation:***

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

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

## **CITY OF BALTIMORE**

### **Schedule of Findings and Questioned Costs Year Ended June 30, 2021**

#### **Finding 2021-003**

**Programs:** All

#### **Material Weakness over Payroll Timekeeping Function**

**Repeat Finding:** Yes

***Condition:***

Various departments within the City are responsible for proper timekeeping and storage of timekeeping information. The City does not have a system that ensures proper approval and storage of timekeeping information among different departments. In addition, the timekeeping system that was used for the period July 1, 2020 – December 31, 2020 did not have the capability to maintain timekeeping records to support the time charged to programs within the compliance guidelines of Federal agencies and certain union agreements of the City.

***Criteria:***

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

***Cause:***

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

***Effect:***

Changes to personnel records may not be authorized and/or inaccurately recorded and result in inaccurate payroll expense and related withholdings.

***Questioned Costs:***

Unknown.

***Recommendation:***

The corrective action plan for this finding is the City-wide transition to the new Workday Timekeeping system, implemented by the City of Baltimore in January 2021. The result of our testing for the period January 1, 2021 through June 30, 2021 did not identify any exceptions.

We recommend the City continue to ensure the new Workday timekeeping system maintains records to support personnel charges to Federal programs.

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-004**

**Programs: All**

**Material Weakness over Water and Wastewater Billing Function**

**Repeat Finding: Yes**

***Condition:***

Department of Public Works (DPW) is responsible for accurate and timely billing for water and wastewater utilities. In fiscal year 2017, the City changed its billing rate model and implemented a new UMAX billing system for billing of City residents. A significant number of accounts have not been billed since the system has been implemented and a significant number of accounts have been billed inconsistently. The Bureau of Payroll and Accounting Services with the help of DPW had to make an estimate of revenue earned in fiscal year 2021 and not billed.

***Criteria:***

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

***Cause:***

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

***Effect:***

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

***Questioned Costs:***

None.

***Recommendation:***

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

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.



**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-005**

**Programs:** All

**Material Weakness over Fixed Assets Accounting**

**Repeat Finding:** Yes

***Condition:***

There were significant post-close adjustments recorded to fixed assets to correct the year-end reporting for capitalized assets. Additionally, errors were detected in the depreciation calculation that resulted in additional adjustments.

***Criteria:***

In accordance with Uniform Guidance, the City must maintain an adequate system of internal control over financial reporting in order to initiate, authorize, record, process and report financial data reliably in accordance with generally accepted accounting principles, which includes the proper capitalization and recordation of fixed assets.

***Cause:***

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

***Effect:***

The City had significant audit adjustments for the year ended June 30, 2021. Additionally, the interim financial information produced by the City may be inaccurate.

***Questioned Costs:***

Unknown.

***Recommendation:***

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

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

## CITY OF BALTIMORE

### Schedule of Findings and Questioned Costs Year Ended June 30, 2021

#### Finding 2021-006

**Programs:** All

#### Material Weakness over Information Technology Security

**Repeat Finding:** Yes

***Condition:***

The review of the network security in fiscal year 2021 indicated that the “severe/critical/high risk legacy vulnerabilities” identified in the vulnerability scanning over the last twelve to eighteen months are not being remediated in a timely manner.

Other areas for improvement include, but are not limited to:

- Lack of a formally documented entitlement review privileged accounts such as domain administrators.
- Inadequate segregation of duties for those personnel with the responsibilities for making program changes and for those personnel with the responsibilities for the migration to production.
- Inability to restore mainframe operations at the secondary data center.

***Criteria:***

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

***Cause:***

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

***Effect:***

The absence of timely remediation increases the risk to the organization that those vulnerabilities may be exploited leading to disruption of the City’s operations and/or theft/loss of data. Inadequate segregation of duties leads to increased risk to unauthorized changes when individuals that make changes have access to the production environment.

***Questioned Costs:***

None.

***Recommendation:***

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

***Auditee Response and Corrective Action Plan:***

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

***Auditor’s Conclusion:***

Finding remains as stated.

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

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**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-007**

**Programs:** All

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

**Repeat Finding:** Yes

***Condition:***

During our fiscal year 2021 audit, we observed that the detail expenditure information in the accounting software differed from the expenditures reported by various City departments. We were not able to determine if the Federal expenditures and subrecipient payments for all grants from the City was complete. Additionally, there were unreconciled amounts passed through to subrecipients.

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

***Criteria:***

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

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

## CITY OF BALTIMORE

### Schedule of Findings and Questioned Costs Year Ended June 30, 2021

#### Finding 2021-007 (continued)

##### *Criteria* (continued):

In accordance with 2 CFR 200.510, Financial statements: (b) Schedule of expenditures of Federal awards: the auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must: (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included. (3) Provide total Federal awards expended for each individual Federal program and the AL number or other identifying number when the AL information is not available. For a cluster of programs, also provide the total for the cluster. (4) Include the total amount provided to subrecipients from each Federal program. (5) For loan or loan guarantee programs described in § 200.502(b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule; and (6) Include notes that describe that significant accounting policies used in preparing the schedule and note whether or not the non-Federal entity elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs.

##### *Cause:*

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

Internal controls over financial reporting should be designed to prevent, detect or correct errors in a timely manner. Without adequate controls, the City cannot provide reasonable assurance that the Schedule is fairly presented. Controls have not been established by the City to ensure complete and accurate reporting for the Schedule for the 2021 fiscal year.

##### *Effect:*

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

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-007 (continued)**

***Questioned Costs:***

Unknown.

***Recommendation:***

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

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-008**

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

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

**Repeat Finding:    Yes**

***Condition:***

The Department of Housing and Community Development (DHCD) was unable to provide support for 5 out of 25 selected employees in order to validate compliance and internal controls over Activities Allowed and Allowable Costs/Cost Principles.

***Criteria:***

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

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

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

***Cause:***

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



**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-008** (continued)

***Effect:***

Unallowed payroll costs could be charged to the grant.

***Questioned Costs:***

Unknown.

***Recommendation:***

The corrective action plan for this finding is the City-wide transition to the new Workday Timekeeping system, implemented by the City in January 2021. The result of our testing for the period January 1, 2021 through June 30, 2021 did not identify any exceptions.

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-009**

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

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

**Repeat Finding:      Yes**

***Condition:***

Mayor's Office of Homeless Services (MOHS) was unable to provide timesheets and other applicable payroll documentation for the period July 1, 2020 through December 31, 2020 in order to validate compliance and internal controls over Activities Allowed and Allowable Costs/Cost Principles.

***Criteria:***

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

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

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

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-009** (continued)

***Cause:***

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

***Effect:***

Unallowed payroll costs could be charged to the grant.

***Questioned Costs:***

Unknown.

***Recommendation:***

The corrective action plan for this finding is the City-wide transition to the new Workday Timekeeping system, implemented by the City in January 2021. The result of our testing for the period January 1, 2021 through June 30, 2021 did not identify any exceptions.

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-010**

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

**Significant Deficiency in Compliance and Internal Control over Reporting**

**Repeat Finding:      No**

***Condition:***

Management was unable to provide evidence that the SF-425 reporting requirements for the grant were met.

***Criteria:***

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

Additionally, performance reporting requires HOPWA to complete the *SF-425, Federal Financial Report*.

***Cause:***

Management was unaware of the requirement to complete the SF-425.

***Effect:***

Management may not be in compliance with the reporting requirements of the grant.

***Questioned Costs:***

Unknown.

***Recommendation:***

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

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-011**

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

**Material Weakness over Subrecipient Monitoring**

**Repeat Finding:      Yes**

***Condition:***

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

***Criteria:***

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

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

***Cause:***

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

***Effect:***

The subrecipient could not be in compliance with Uniform Guidance.

***Questioned Costs:***

Unknown.

***Recommendation:***

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

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-012**

**U.S. Department of Labor**

**Workforce Innovation & Opportunity Act Cluster (WIOA)**

**AL No. 17.258 Adult Program**

**AL No. 17.259 Youth Activities**

**AL No. 17.278 Dislocated Worker Formula Grants**

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

**Repeat Finding: No**

***Condition:***

The agency was unable to provide timesheets and other applicable payroll documentation for the period July 1, 2020 through December 31, 2020, in order to validate compliance and internal controls over Activities Allowed and Allowable Costs/Cost Principles.

***Criteria:***

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

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

## CITY OF BALTIMORE

### Schedule of Findings and Questioned Costs Year Ended June 30, 2021

#### Finding 2021-012 (continued)

**Criteria:** (continued)

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

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

**Cause:**

The agency did not follow AM 413-60 and AM 413-61.

**Effect:**

Unallowed payroll costs could be charged to the grant.

**Questioned Costs:**

Unknown.

**Recommendation:**

The corrective action plan for this finding is the City-wide transition to the new Workday Timekeeping system, implemented by the City in January 2021. The result of our testing for the period January 1, 2021 through June 30, 2021 did not identify any exceptions.

We recommend the agency continue to ensure the new Workday timekeeping system maintains records to support personnel charges to Federal programs.

**Auditee Response and Corrective Action Plan:**

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

**Auditor's Conclusion:**

Finding remains as stated.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-013**

**U.S. Department of Treasury**

**AL No. 21.019      Coronavirus Relief Fund (CARES)**

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

**Repeat Finding:      Yes**

***Condition:***

For 4 out of 40 selections, the timesheets provided were not approved by Baltimore City Fire Department (BCFD) and Baltimore City Health Department (BCHD) management.

Additionally, there were another 4 out of 40 selections where the timesheet did not agree to the amounts recorded in E-time.

***Criteria:***

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

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



**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-013** (continued)

***Criteria:*** (continued)

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

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

***Cause:***

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

***Effect:***

Unallowed payroll costs could be charged to the grant.

***Questioned Costs:***

Unknown.

***Recommendation:***

The corrective action plan for this finding is the City-wide transition to the new Workday Timekeeping system, implemented by the City in January 2021. The result of our testing for the period January 1, 2021 through June 30, 2021 did not identify any exceptions.

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-014**

**U.S. Department of Treasury**

**AL No. 21.019      Coronavirus Relief Fund (CARES)**

**Material Weakness over Subrecipient Monitoring**

**Repeat Finding:**      No

***Condition:***

For 2 out of 2 selections, we were not provided evidence that subrecipient monitoring was performed.

***Criteria:***

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

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

***Cause:***

Program personnel were unaware of the requirement included in Uniform Guidance related to procedures required for subrecipient monitoring.

***Effect:***

The subrecipient could not be in compliance with Uniform Guidance.

***Questioned Costs:***

Unknown.

***Recommendation:***

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

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-015**

**U.S. Department of Health and Human Services**

**AL No. 93.558            Temporary Assistance for Needy Families**

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

**Repeat Finding:        No**

***Condition:***

The agency was unable to provide timesheets and other applicable payroll documentation for the period July 1, 2020 through December 31, 2020, in order to validate compliance and internal controls over Activities Allowed and Allowable Costs/Cost Principles.

***Criteria:***

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

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

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

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-015** (continued)

***Criteria:*** (continued)

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

***Cause:***

The agency did not follow AM 413-60 and AM 413-61.

***Effect:***

Unallowed payroll costs could be charged to the grant.

***Questioned Costs:***

Unknown.

***Recommendation:***

The corrective action plan for this finding is the City-wide transition to the new Workday Timekeeping system, implemented by the City in January 2021. The result of our testing for the period January 1, 2021 through June 30, 2021 did not identify any exceptions.

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-016**

**U.S. Department of Health and Human Services**

**AL No. 93.569            Community Services Block Grant**

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

**Repeat Finding:     No**

***Condition:***

The agency was unable to provide timesheets and other applicable payroll documentation for the period July 1, 2020 through December 31, 2020 in order to validate compliance and internal controls over Activities Allowed and Allowable Costs/Cost Principles.

***Criteria:***

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

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

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

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-016** (continued)

***Criteria:*** (continued)

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

***Cause:***

The agency did not follow AM 413-60 and AM 413-61.

***Effect:***

Unallowed payroll costs could be charged to the grant.

***Questioned Costs:***

Unknown.

***Recommendation:***

The corrective action plan for this finding is the City-wide transition to the new Workday Timekeeping system, implemented by the City of Baltimore in January 2021. The result of our testing for the period January 1, 2021 through June 30, 2021 did not identify any exceptions.

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-017**

**U.S. Department of Health and Human Services**

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

**Significant Deficiency in Compliance and Internal Control over Period of Performance**

**Repeat Finding:      No**

***Condition:***

10 of 40 expenditure transactions selected for testing, were outside of the period of the performance for the grant.

***Criteria:***

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

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

***Cause:***

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

***Effect:***

Unallowed expenditures could be charged to the grant.

***Questioned Costs:***

The cost of the 5 exceptions totaled \$558,259.

***Recommendation:***

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

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-018**

**U.S. Department of Health and Human Services**

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

**Significant Deficiency over Reporting**

**Repeat Finding:      Yes**

***Condition:***

For 1 out of 1 selection, BCHD was unable to provide expenditure details from the general ledger to substantiate the information reported in the expenditure report to the state was complete, accurate and prepared in accordance with required accounting basis.

***Criteria:***

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

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

***Cause:***

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

***Effect:***

BCHD could not support the expenditure report to the state for the year ended June 30, 2021 as required and the expenditures reported to the Federal government could be inaccurate.

***Questioned Costs:***

None.



**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-018** (continued)

***Recommendation:***

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

***Auditee Response and Corrective Action Plan:***

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

***Auditee Conclusion:***

Finding remains as stated.

## CITY OF BALTIMORE

### Schedule of Findings and Questioned Costs Year Ended June 30, 2021

#### Finding 2021-019

#### U.S. Department of Health and Human Services

#### AL No. 93.914      HIV Emergency Relief Project Grants

#### Material Weakness over Cash Management

**Repeat Finding:**      Yes

***Condition:***

For 2 out of 3 selections, we were unable to agree the drawdown amount to the general ledger to ensure funds were being expended prior to requesting for reimbursement.

Additionally, for 1 out of 3 selections, management was unable to provide the draw down request documentation.

***Criteria:***

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

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

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

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-019** (continued)

***Criteria:*** (continued)

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

***Cause:***

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

***Effect:***

BHCD may not in compliance with the cash management requirements.

***Questioned Costs:***

Unknown.

***Recommendation:***

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

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-020**

**U.S. Department of Health and Human Services**

**AL No. 93.914 HIV Emergency Relief Project Grants**

**Material Weakness over Subrecipient Monitoring**

**Repeat Finding: Yes**

***Condition:***

For 6 out of 6 selections, we were not provided evidence that subrecipient monitoring was performed by BCHD. We did not see that a risk assessment of the subrecipient was performed.

***Criteria:***

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

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

***Cause:***

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

***Effect:***

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

***Questioned Costs:***

Unknown.

***Recommendation:***

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

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-020 (continued)**

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-021**

**U.S. Department of Health and Human Services**

**AL No. 93.940 HIV Prevention Activities Health Department Based**

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

**Repeat Finding: Yes**

***Condition:***

For 5 out of 25 selections, BCHD management was unable to provide appropriate payroll documentation to validate that payroll charges to the program were for actual time and effort spent on the grant.

For 1 out of 25 selections, there was no evidence of supervisory review on the timesheet.

***Criteria:***

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

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

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

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-021 (continued)**

***Criteria:*** (continued)

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

***Cause:***

The agency did not follow AM 413-60 and AM 413-61.

***Effect:***

Unallowed payroll costs could be charged to the grant.

***Questioned Costs:***

Unknown.

***Recommendation:***

The corrective action plan for this finding is the City-wide transition to the new Workday Timekeeping system, implemented by the City in January 2021. The result of our testing for the period January 1, 2021 through June 30, 2021 did not identify any exceptions.

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-022**

**U.S. Department of Health and Human Services**

**AL No. 93.940      HIV Prevention Activities Health Department Based**

**Material Weakness over Cash Management**

**Repeat Finding:      Yes**

***Condition:***

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

***Criteria:***

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

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

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

***Cause:***

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



**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-022 (continued)**

***Effect:***

The BCHD may not be in compliance with the cash management requirement for Uniform Guidance.

***Questioned Costs:***

Unknown.

***Recommendation:***

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

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-023**

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

**Material Weakness over Period of Performance**

**Repeat Finding: Yes**

***Condition:***

For 17 out of 40 selections, we noted that the service dates occurred outside of the period of performance.

***Criteria:***

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

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

***Cause:***

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

***Effect:***

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

***Questioned Costs:***

The cost of the 17 exceptions totaled \$1,209,046.

***Recommendation:***

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

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-024**

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

**Significant Deficiency over Reporting**

**Repeat Finding: Yes**

***Condition:***

We were unable to agree the amounts in the annual Federal Financial Report to the amounts recorded in the general ledger in order to validate compliance and internal controls over the reporting requirements under Uniform Guidance.

***Criteria:***

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

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

***Cause:***

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

***Effect:***

Expenditures reported to the Federal government could be inaccurate.

***Questioned Costs:***

Unknown.

***Recommendation:***

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

**CITY OF BALTIMORE**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Finding 2021-024** (continued)

***Auditee Response and Corrective Action Plan:***

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

***Auditor's Conclusion:***

Finding remains as stated.

**SECTION IV – SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

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**CITY OF BALTIMORE**

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

**Finding 2020-001**

**Programs:** All

**Material Weakness over Grant Accounting Function**

**Repeat Finding:** Yes

***Condition:***

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

**2021 Conclusion:**

Finding remains as stated based on testing performed in 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-002**

**Programs:** All

**Material Weakness over Financial Reporting**

**Repeat Finding:** Yes

***Condition:***

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

**2021 Conclusions:**

The City's new payroll system, Workday, which went live for BCHD for the payroll period beginning December 24, 2020, allows for all timesheets and documentation for leave and overtime to be kept electronically and will alleviate these findings. However, the Workday was only in place for 6 months of the year; finding remains as stated as of June 30, 2021.

**2021 Conclusions:**

Finding remains as stated based on testing performed in 2021.



**CITY OF BALTIMORE**

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

**Finding 2020-003**

**Programs:** All

**Material Weakness over Payroll Timekeeping Function**

**Repeat Finding:** Yes

***Condition:***

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

**2021 Conclusions:**

Finding remains as stated based on testing performed in 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-004**

**Material Weakness over Water and Wastewater Billing Function**

**Repeat Finding:**     **Yes**

***Condition:***

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

**2021 Conclusions:**

Finding remains as stated based on testing performed in 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-005**

**Material Weakness over Fixed Assets Accounting**

**Repeat Finding:     Yes**

***Condition:***

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

**2021 Conclusions:**

Finding remains as stated based on testing performed in 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-006**

**Material Weakness over Information Technology Security**

**Repeat Finding:**     **Yes**

***Condition:***

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

**2021 Conclusions:**

Finding remains as stated based on testing performed in 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-007**

**Material Weakness over Cash Receipts Accounting Function**

**Repeat Finding:** No

***Condition:***

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

**2021 Conclusions:**

Finding cleared.

**CITY OF BALTIMORE**

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

**Finding 2020-008**

**Programs:** All

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

**Repeat Finding:** Yes

***Condition:***

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

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

**2021 Conclusions:**

Finding remains as stated based on testing performed in 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-009**

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

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

**Repeat Finding: No**

***Condition:***

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

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

**2021 Conclusions:**

Finding cleared.

**CITY OF BALTIMORE**

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

**Finding 2020-010**

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

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

**Repeat Finding:      No**

***Condition:***

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

**2021 Conclusions:**

The corrective action plan for this finding is the City-wide transition to the new Workday Timekeeping system, implemented by the City in January 2021. As such, finding remains as stated as of June 30, 2021.



**CITY OF BALTIMORE**

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

**Finding 2020-011**

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

**Material Weakness over Loans and Loan Guarantees**

**Repeat: Yes**

***Condition:***

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

**2021 Conclusions:**

DHCD is in the process of implementing a process to work with the Department of Finance to ensure that adequate documentation and disclosure is maintained. The expected completion date was June 30, 2022. Finding remains as stated as of June 30, 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-012**

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

**Significant Deficiency in Compliance and Internal Control over Eligibility**

**Repeat Finding: Yes**

***Condition:***

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

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

**2021 Conclusions:**

DHCD is in the process of working with the Department of Finance to ensure that adequate documentation and disclosure is maintained and expects to implement by June 30, 2022. As a result, finding remains as stated as of June 30, 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-013**

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

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

**Repeat Finding:      No**

***Condition:***

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

**2021 Conclusions:**

The corrective action plan for this finding is the City-wide transition to the new Workday Timekeeping system, implemented by the City in January 2021. As such, finding remains as stated as of June 30, 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-014**

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

**Material Weakness in Compliance and Internal Control over Eligibility**

**Repeat Finding:      No**

***Condition:***

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

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

**2021 Conclusions:**

Finding cleared.

**CITY OF BALTIMORE**

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

**Finding 2020-015**

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

**Material Weakness over Subrecipient Monitoring**

**Repeat Finding:      No**

***Condition:***

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

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

**2021 Conclusions:**

Finding remains as stated based on testing performed in 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-016**

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

**Material Weakness over Special Tests – Housing Quality Standards**

**Repeat Finding:      No**

***Condition:***

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

**2021 Conclusions:**

Finding remains as stated based on testing performed in 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-017**

**U.S. Department of Transportation**

**Highway Planning and Construction Cluster**

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

**Material Weakness over Procurement and Suspension and Debarment**

**Repeat Finding: No**

***Condition:***

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

**2021 Conclusions:**

Finding cleared.

**CITY OF BALTIMORE**

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

**Finding 2020-018**

**U.S. Department of Treasury**

**AL No. 21.019      Coronavirus Relief Fund (CARES)**

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

**Repeat Finding:      No**

***Condition:***

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

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

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

**2021 Conclusions:**

The corrective action plan for this finding is the City-wide transition to the new Workday Timekeeping system, implemented by the City in January 2021. As such, finding remains as stated as of June 30, 2021.



**CITY OF BALTIMORE**

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

**Finding 2020-019**

**U.S. Department of Treasury**

**AL No. 21.019      Coronavirus Relief Fund (CARES)**

**Material Weakness over Subrecipient Monitoring**

**Repeat Finding:      No**

***Condition:***

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

**2021 Conclusions:**

Finding remains as stated based on testing performed in 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-020**

**U.S. Environmental Protection Agency (EPA)**

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

**Material Weakness over Procurement and Suspension and Debarment**

**Repeat Finding:      No**

***Condition:***

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

**2021 Conclusions:**

The Department of Public Works (DPW) has established a department-wide course of action that will address the procurement and suspension debarment requirements as mandated by the Uniform Guidance with an expected completion date of May 2021. Finding remains as stated as of June 30, 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-021**

**U.S. Environmental Protection Agency (EPA)**

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

**Material Weakness over Procurement and Suspension and Debarment**

**Repeat Finding:      Yes**

***Condition:***

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

**2021 Conclusions:**

The Department of Public Works (DPW) has established a department-wide course of action that will address the procurement and suspension debarment requirements as mandated by the Uniform Guidance with an expected completion date of May 2021. Finding remains as stated as of June 30, 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-022**

**U.S. Department of Health and Human Services**

**Aging Cluster**

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

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

**AL No. 93.053 Nutrition Services Incentive Program**

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

**Repeat Finding: No**

***Condition:***

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

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

**2021 Conclusions:**

The corrective action plan for this finding is the City-wide transition to the new Workday Timekeeping system, implemented by the City in January 2021. As such, finding remains as stated as of June 30, 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-023**

**U.S. Department of Health and Human Services**

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

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

**Repeat Finding:      Yes**

***Condition:***

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

**2021 Conclusions:**

The corrective action plan for this finding is the City-wide transition to the new Workday Timekeeping system, implemented by the City in January 2021. As such, finding remains as stated as of June 30, 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-024**

**U.S. Department of Health and Human Services**

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

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

**Repeat Finding:      Yes**

***Condition:***

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

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

**2021 Conclusions:**

Finding cleared.

**CITY OF BALTIMORE**

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

**Finding 2020-025**

**U.S. Department of Health and Human Services**

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

**Material Weakness over Eligibility**

**Repeat Finding:      Yes**

***Condition:***

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

**2021 Conclusions:**

Finding cleared.

**CITY OF BALTIMORE**

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

**Finding 2020-026**

**U.S. Department of Health and Human Services**

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

**Material Weakness over Period of Performance**

**Repeat Finding:      No**

***Condition:***

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

**2021 Conclusions:**

Finding remains as stated based on testing performed in 2021. Finding 2020-026 does not appear as a repeat in 2021 as it was not identified in the compliance requirements that the Federal government has determined are subject to audit for FY 2021.



**CITY OF BALTIMORE**

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

**Finding 2020-027**

**U.S. Department of Health and Human Services**

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

**Material Weakness over Reporting**

**Repeat Finding:      Yes**

***Condition:***

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

**2021 Conclusions:**

Finding remains as stated based on testing performed in 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-028**

**U.S. Department of Health and Human Services**

**AL No. 93.914      HIV Emergency Relief Project Grants**

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

**Repeat Finding:**      **No**

***Condition:***

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

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

**2021 Conclusions:**

The corrective action plan for this finding is the City-wide transition to the new Workday Timekeeping system, implemented by the City in January 2021. As such, finding remains as stated as of June 30, 2021.

Payroll costs in 2021 were not direct and material to the program, thus no testing was performed.

**CITY OF BALTIMORE**

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

**Finding 2020-029**

**U.S. Department of Health and Human Services**

**AL No. 93.914      HIV Emergency Relief Project Grants**

**Material Weakness over Cash Management**

**Repeat Finding:**      No

***Condition:***

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

**2021 Conclusions:**

Finding remains as stated based on testing performed in 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-030**

**U.S. Department of Health and Human Services**

**AL No. 93.914      HIV Emergency Relief Project Grants**

**Material Weakness over Eligibility**

**Repeat Finding:      No**

***Condition:***

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

**2021 Conclusions:**

The requirement was waived for FY 2021. Finding remains as stated.

**CITY OF BALTIMORE**

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

**Finding 2020-031**

**U.S. Department of Health and Human Services**

**AL No. 93.914      HIV Emergency Relief Project Grants**

**Material Weakness over Subrecipient Monitoring**

**Repeat Finding:      No**

***Condition:***

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

**2021 Conclusions:**

Finding remains as stated based on testing performed in 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-032**

**U.S. Department of Health and Human Services**

**AL No. 93.940      HIV Prevention Activities Health Department Based**

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

**Repeat Finding:      No**

***Condition:***

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

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

**2021 Conclusions:**

The corrective action plan for this finding is the City-wide transition to the new Workday Timekeeping system, implemented by the City in January 2021. As such, finding remains as stated as of June 30, 2021.

**Finding 2020-033**

**CITY OF BALTIMORE**

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

**U.S. Department of Health and Human Services**

**AL No. 93.940          HIV Prevention Activities Health Department Based**

**Material Weakness over Cash Management**

**Repeat Finding:      Yes**

***Condition:***

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

**2021 Conclusions:**

Finding remains as stated based on testing performed in 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-034**

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

**Control Deficiency over Period of Performance**

**Repeat Finding: Yes**

***Condition:***

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

**2021 Conclusions:**

Finding remains as stated based on testing performed in 2021.



**CITY OF BALTIMORE**

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

**Finding 2020-035**

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

**Material Weakness over Procurement and Suspension and Debarment**

**Repeat Finding: Yes**

***Condition:***

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

**2021 Conclusions:**

Finding cleared.

**CITY OF BALTIMORE**

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

**Finding 2020-036**

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

**Material Weakness over Reporting**

**Repeat Finding: Yes**

***Condition:***

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

**2021 Conclusions:**

Finding remains as stated based on testing performed in 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-037**

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

**Material Weakness over Subrecipient Monitoring**

**Repeat Finding:      Yes**

***Condition:***

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

**2021 Conclusions:**

The agency received a waiver in 2021 related to sub-recipient monitoring, and was therefore in compliance.

**CITY OF BALTIMORE**

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

**Finding 2020-038**

**U.S. Department of Health and Human Services**

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

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

**Repeat Finding:      Yes**

***Condition:***

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

**2021 Conclusions:**

Finding remains as stated based on testing performed in 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-039**

**U.S. Department of Health and Human Services**

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

**Material Weakness over Cash Management**

**Repeat Finding:      Yes**

***Condition:***

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

**2021 Conclusions:**

BCHD committed to implementing its corrective action plan by December 31, 2021. As a result, finding remains as stated as of June 30, 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-040**

**U.S. Department of Health and Human Services**

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

**Significant Deficiency in Compliance and Internal Control over Period of Performance**

**Repeat Finding:      Yes**

***Condition:***

For 5 out of 25 selections, there were non-payroll expenditures that were charged outside the period of performance.

**2021 Conclusions:**

BCHD committed to implementing its corrective action plan by December 31, 2021. As a result, finding remains as stated as of June 30, 2021.

**CITY OF BALTIMORE**

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

**Finding 2020-041**

**U.S. Department of Health and Human Services**

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

**Material Weakness over Reporting**

**Repeat Finding:      Yes**

***Condition:***

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

**2021 Conclusions:**

BCHD committed to implementing its corrective action plan by December. As a result, finding remains as stated as of June 30, 2021.

**SECTION V – CORRECTIVE ACTION PLANS**



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CITY OF BALTIMORE  
BRANDON M. SCOTT  
MAYOR



DEPARTMENT OF FINANCE  
YOANNA X. MOISIDES  
ACTING DIRECTOR OF FINANCE

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

September 23, 2022

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

Dear Mr. Seymour:

The following represents the City's responses and associated corrective action plans for the findings identified in the 2021 Single Audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Yoanna X. Moises".

Yoanna X. Moises  
Acting Director of Finance

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-001**

**Programs:** All

**Material Weakness over Grant Accounting Function**

**Repeat Finding:** Yes

*Auditee's Corrective Action Plan:* We concur with the finding.

The City has purchased Workday, an Enterprise Resource Planning (ERP) system, and implemented the software with the assistance of Accenture consultants. Although Workday is “live” as of August 2022, the City is currently working to refine the software and utilize all its functionality. The grants management module is robust with a workflow process for grant approval, grant budget tracking, and invoice scheduling. The enforcement of the Administrative Manual Grant Policies 413-00 thru 413-70 is being reviewed by Accenture and where possible the procedures to enforce the policies are configured into the software.

In addition, the Department of Finance is continuing to review our grants policies to determine what adjustments can be made to consolidate and enforce controls. A new policy is being developed for “Grant Sub-Recipient Monitoring and Management”. Beginning in July 2021, the City required all grant billings to be recorded in the current accounting system. Within the Bureau of Accounting and Payroll Services (BAPS), one person has been designated to assist in the ERP system, specifically around grants implementation.

***Contact Person:***

Yoanna X. Moisesides, Acting Chief Financial Officer, Baltimore City

***Completion Date:***

June 2023

## **CITY OF BALTIMORE**

### **Corrective Action Plans Year Ended June 30, 2021**

#### **Finding 2021-002**

**Programs:** All

#### **Material Weakness over Financial Reporting**

**Repeat Finding:** Yes

***Auditee's Corrective Action Plan:*** We concur with the finding.

The City has purchased Workday, an Enterprise Resource Planning (ERP) system, and implemented the software with the assistance of Accenture consultants. Although Workday is “live” as of August 2022, the City is currently working to refine the software and fully utilize its functionality. The new system includes improved financial reporting and functionality. Specific improvements available are:

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

***Contact Person:***

Yoanna X. Moises, Acting Chief Financial Officer, Baltimore City

***Completion Date:***

June 2023

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-003**

**Programs:** All

**Material Weakness over Payroll Timekeeping Function**

**Repeat Finding:** Yes

*Auditee's Corrective Action Plan:* We concur with the finding. The City is still refining and making improvements to the software to tighten controls. Additionally, the City has recently hired a team of payroll consultants to run the weekly payroll, which will allow, for City payroll staff to focus on specific payout and leave issues.

***Contact Person:***

Yoanna X. Moises, Acting Chief Financial Officer, Baltimore City

***Completion Date:***

Completed. Currently in support phase for ongoing improvements.

## CITY OF BALTIMORE

### Corrective Action Plans Year Ended June 30, 2021

#### Finding 2021-004

**Programs:** All

#### Material Weakness over Water and Wastewater Billing Function

**Repeat Finding:** Yes

#### ***Auditee's Corrective Action Plan:***

We concur with the finding.

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

- The Office of the Mayor led a review of unbilled properties that have no accounts established within the billing system. A minimal number of properties were found and, upon further investigation, the majority of those properties were improperly coded.
- Baltimore City and Baltimore County undertook a joint review of the entire water and wastewater utility, using a private consultant. This analysis provided a framework for how to improve the utility, including billing. Additionally, Baltimore City and Baltimore County have formed a strong partnership on utility-related issues, meeting every month. Both jurisdictions are tracking the findings of a joint Baltimore City and Baltimore County Office of Inspector General Report on billing-related issues. The City/County team continues to evaluate the issues identified in the OIG report with those identified by the consultant to find areas of overlap.
- There is an initiative to reform the DPW meter shop. This initiative involves a task force made up of DPW and Mayor's Office staff who immersed themselves full-time in the meter shop. Thus far, vehicle issues, equipment issues, logistical issues, and some training issues have been assessed and resolved, leading to improved morale and more effective operations.
- In late November 2020, DPW optimized water billing cycles and schedules through a software program called Route Smart. City customers are billed monthly. Route Smart realigned the billing cycles so that customers were evenly divided into the 15 groups and were also located in the same geographic area of the City. This allows the meter technicians to stay in one region when addressing meter issues rather than wasting time traveling back and forth throughout the City. Since optimization, DPW averages 98% of bills being issued for each cycle on a regular basis.
- In July 2021, the Customer Support and Services Division (CSSD) implemented an Escalations and Adjustments committee to review all adjustments over \$500. Any adjustment over \$500 cannot be entered into UMAX without approval from this committee. Adjustments are audited weekly to ensure the integrity of the process.
- All CSSD and Meter Shop supervisors have completed training to write and document standard operating procedures (SOPs). SOPs will be revised for all Billing, Customer Service, and Meter Operations. DPW staff anticipate the SOPs will be completed and finalized by January 31, 2023.

## **CITY OF BALTIMORE**

### **Corrective Action Plans Year Ended June 30, 2021**

- In July 2022, DPW launched an internal dashboard tracking a wide array of vital operational and performance metrics for CSSD and Meter Shop staff. Management is using the dashboard to benchmark and set KPIs for improving customer response times, work order completions, accurate billing, and revenue collections.
- Reorganization of CSSD and Meter Shop operations to include an Internal Process Improvement team (Quality Assurance) and a Data Team (Quality Control) for monthly billing and customer service response times.
- CSSD and the Meter Shop work collaboratively to ensure reads are entered and meters are fixed or replaced so that we can provide timely and accurate monthly billing
- In addition to the reactive training provided to CSSD staff from August 2021 to March 2022, CSSD has created a monthly training calendar to provide proactive and leadership development sessions since April 2022 to increase knowledge, skills, and abilities.

#### ***Contact Person:***

Yoanna X. Moises, Acting Chief Financial Officer, Baltimore City

#### ***Completion Date:***

Completed June 2022. Currently in support phase for ongoing improvements

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-005**

**Material Weakness over Fixed Assets Accounting**

**Repeat Finding: Yes**

***Auditee's Corrective Action Plan:*** We concur with the finding.

The City has purchased Workday, an Enterprise Resource Planning (ERP) system, and implemented the software with the assistance of Accenture consultants. Although Workday is “live” as of August 2022, the City is currently working to implement the business asset module. This module will allow assets to be flagged during the purchase process and the majority of existing assets to be uploaded and depreciated by Workday. Specific improvements are as follows:

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

***Contact Person:***

Yoanna X. Moises, Acting Chief Financial Officer, Baltimore City

***Completion Date:***

June 2023



## CITY OF BALTIMORE

### Corrective Action Plans Year Ended June 30, 2021

#### Finding 2021-006

**Programs:** All

#### Material Weakness over Information Technology Security

**Repeat Finding:** Yes

*Auditee's Corrective Action Plan:* We concur with this finding.

The Baltimore City Office of Information (BCIT) has made significant progress in resolving this finding. Specific improvements are below:

- BCIT Infosec purchased and implemented a vulnerability scanning tool in 2020. BCIT implemented a vulnerability management program to ensure operational / monthly patching was being monitored and measured and to work off the backlog of vulnerabilities. Between October 2020 and April 2022, the backlog of legacy vulnerabilities was reduced by 53%.
- For the prior 13 month rolling period, BCIT is performing vulnerability scans on 99% of the workstations, laptops, tablets and servers in our environment. For the prior 13 month rolling period, BCIT is patching 71% of the Microsoft monthly patches within 3 weeks of release across workstations, laptops, tablets and servers in our environment.
- BCIT is focusing efforts on operational patching of critical servers. For the prior 13 month rolling period, BCIT patched 89% of critical serves within 7 days of patch release.
- BCIT has completed or substantially completed projects to reduce the legacy backlog of critical and high-risk vulnerabilities including Windows 7 devices, unsupported windows 10 devices, Java, TLS, and SMBv1.
- Developed an IT standard to standardize the naming convention of all privileged accounts across the city.
- Implemented multi-factor authentication for all workstation and server admins.
- Developed and implemented a privileged access agreement form that documents the need for the user's privileged credentials and the privileged user's responsibilities. It is signed by the manager and the privileged user.
- Implemented required 15-minute admin privilege computer-based training that must be completed prior to user receiving admin privileges.
- Initiated agency reviews – piloted DOT, DHCD and DGS.
- Developed process flow chart to communicate the process with all remaining agencies.
- To restore mainframe operations at the secondary data center, BCIT employs Blue Hill, who maintains an alternate backup site in New Jersey (BlueZone) should the main location in Pearl River, New York ever go down.
  - Every night the data and code are replicated and transmitted to the backup site

## **CITY OF BALTIMORE**

### **Corrective Action Plans Year Ended June 30, 2021**

- Should a disaster occur, the backup (BlueZone) site will be operational in less than 48 hours

BCIT also has a “Milestone Plan” which includes the following initiatives:

- Complete city-wide review of all agency privileged users and maintain before and after metrics by agency – June 2023.
- Created a Release Manager position that will be responsible for all deployments. BCIT expects the position to be filled by December 2022.
- Develop Application Development Standards and Standard Operating Procedures to establish the process end-to-end – June 2023.
- Select, procure and implement a tool to automate the change release process between environments all the way to PROD which will be implemented and managed by our Release Manager – December 2023.
- Augment Vulnerability Management team – November 2022.
- Diagnose and address issues that will enable BCIT to complete 95% of operational patching for workstations, laptops, tablets and servers within 3 weeks of patch release – June 2023.
- Diagnose and address issues that will enable BCIT to complete 95% of critical server patching within 7 days of patch release – June 2023.
- Initiate and complete projects to mitigate highest risk legacy backlog vulnerabilities – June 2024.
- Develop Standard Operating Procedure (SOP) for agency by agency annual review – December 2022.

***Contact Person:***

Todd Carter, CIO/CDO Baltimore City

***Completion Date:***

June 2023 and continuously reviewing.

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-007**

**Programs: All**

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

**Repeat Finding: Yes**

***Auditee's Corrective Action Plan:*** We concur with this finding.

The City has purchased Workday, an Enterprise Resource Planning (ERP) system, and implemented the software with the assistance of Accenture consultants. Although Workday is “live” as of August 2022, the City is currently working to refine the software and fully utilize functionality. The Workday grants modules requires the grant funding source be defined prior to grant approval and fields are available for the AL titles and numbers and sub-recipients’ information. The implementation of the Workday grants modules centralizes much of the grant management function by requiring the agencies to upload the grant documents into Workday.

The City has:

- Held weekly meetings for two years with agency grant representatives to design and configure the Workday grant module.
- Uploaded the grant award, sponsor information and grant budget data into a Workday.
- Implemented a “new grant” request which uses a Workday business process.
- In the process of reviewing and correcting recoverable costs per grant award so it is properly reported.

***Contact Person:***

Yoanna X. Moisesides, Acting Chief Financial Officer, Baltimore City

***Completion Date:***

June 2023

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-008**

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

**Significant Deficiency over Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Payroll)**

**Repeat Finding:      Yes**

***Auditee's Corrective Action Plan:***

The Department of Housing and Community Development (DHCD) understands that the paper timesheets and corresponding back up documentation should reflect the same information as recorded in the City of Baltimore System of Record for payroll.

This finding did not result in any additional payments to employees or unallowable grant costs.

***Contact Person:***

CFO

***Completion Date:***

June 2022

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-009**

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

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

**Repeat Finding:      Yes**

***Auditee's Corrective Action Plan:***

Timesheets were submitted as paper in FY20, so access to these documents is limited. MOHS also did not have access to eTime data to provide any payroll reports from the time and the new system as transitioned to Workday was not loaded with historical records. Timesheets are submitted electronically using Workday and timesheets and payroll data reports can be pulled from this system. MOHS conducts quarterly time studies to ensure time allocated to grants are accurate. New functionality in Workday starting in July 2022 allows split-funded employees to directly bill their time separately to the respective grants to which they are charged at the time of payroll submission.

***Contact Person:***

Account Supervisor – Mayor's Office of Homeless Services

***Completion Date:***

Expected to start immediately.

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-010**

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

**Significant Deficiency in Compliance and Internal Control over Reporting**

**Repeat Finding:      No**

***Auditee's Corrective Action Plan:***

Due to staff turnover and changes in work processes as a response to COVID-19, monitoring records were unable to be located. The Program Compliance Supervisor is creating internal controls, documented standard operating procedures and timelines to ensure that each project is monitored annually. This includes updates to our filing and storage system in a central location so that the monitoring reports can be located when requested. In 2022, the Program Compliance Officer (PCO) for HOPWA was relocated to report through the Program Compliance Team, a change from having been staff in the HOPWA department. This will ensure that the monitoring and compliance functions associated with HOPWA will receive the same attention and rigor that is applied to all sub-recipients. These upgrades are in progress and will be completed by December 31, 2022.

***Contact Person:***

Account Supervisor – Mayor's Office of Homeless Services

***Completion Date:***

Expected to start immediately.

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-011**

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

**Material Weakness over Subrecipient Monitoring**

**Repeat Finding:      Yes**

***Auditee's Corrective Action Plan:***

Due to staff turnover and changes in work processes as a response to COVID-19, monitoring records were unable to be located. The Program Compliance Supervisor is creating internal controls, documented standard operating procedures and timelines to ensure that each project is monitored annually. This includes updates to our filing and storage system in a central location so that the monitoring reports can be located when requested. In 2022, the Program Compliance Officer (PCO) for HOPWA was relocated to report through the Program Compliance Team, a change from having been staff in the HOPWA department. This will ensure that the monitoring and compliance functions associated with HOPWA will receive the same attention and rigor that is applied to all sub-recipients. These upgrades are in progress and will be completed by December 31, 2022.

***Contact Person:***

Program Compliance Supervisor – Mayor's Office of Homeless Services

***Completion Date:***

Expected to start immediately.

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-012**

**U.S. Department of Labor**

**Workforce Innovation & Opportunity Act Cluster (WIOA)  
AL No. 17.258 Adult Program  
AL No. 17.259 Youth Activities  
AL No. 17.278 Dislocated Worker Formula Grants**

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

**Repeat Finding: No**

***Auditee's Corrective Action Plan:***

Baltimore City's new payroll system, Workday, which went live for MOED for the payroll period beginning December 24, 2020, allows for all timesheets and documentation for leave and overtime to be kept electronically and will alleviate these findings. There were no findings for the period of performance that began December 24, 2020.

***Contact Person:***

Chief Financial Officer, Mayor's Office of Employment Development

***Completion Date:***

June 2022



**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-013**

**U.S. Department of Treasury**

**AL No. 21.019      Coronavirus Relief Fund (CARES)**

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

**Repeat Finding:      Yes**

***Auditee's Corrective Action Plan:***

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

***Contact Person:***

Budget Director, Baltimore City

***Completion Date:***

December 2022

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-014**

**U.S. Department of Treasury**

**AL No. 21.019      Coronavirus Relief Fund (CARES)**

**Material Weakness over Subrecipient Monitoring**

**Repeat Finding:**      No

***Auditee's Corrective Action Plan:***

BBMR has been working with the City's financial consultant to meet all local and Federal reporting requirements for the use of Coronavirus Relief Funding. Funding was awarded to the City and then distributed to both City agencies and other local non-profits for COVID-19 response programs. Recipients were advised that spending must be in compliance with Federal regulations and that they would be liable to the City for any issues. The spend-down of the funds is now complete and the City has been submitting quarterly reports to the U.S Department of Treasury (Treasury). We believe a process has been put in place to monitor sub-recipients and gather documentation that is required for Treasury reporting in accordance with Uniform Guidance and escalating any documentation that is incomplete. We expect that this exercise will be complete by the end of calendar 2022

***Contact Person:***

Budget Director, City of Baltimore

***Completion Date:***

December 2022

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-015**

**U.S. Department of Health and Human Services**

**AL No. 93.558      Temporary Assistance for Needy Families**

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

**Repeat Finding:      No**

***Auditee's Corrective Action Plan:***

Baltimore City's new payroll system, Workday, which went live for MOED for the payroll period beginning December 24, 2020, allows for all timesheets and documentation for leave and overtime to be kept electronically and will alleviate these findings. There were no findings for the period of performance that began December 24, 2020.

***Contact Person:***

Chief Financial Officer, Mayor's Office of Employment Development

***Completion Date:***

June 2022

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-016**

**U.S. Department of Health and Human Services**

**AL No. 93.569          Community Services Block Grant**

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

**Repeat Finding:      No**

***Auditee's Corrective Action Plan:***

Baltimore City's new payroll system, Workday, which went live for the payroll period beginning December 24, 2020, allows for all timesheets and documentation for leave and overtime to be kept electronically and will alleviate these findings. There were no findings for the period of performance that began December 24, 2020.

***Contact Person:***

Executive Director, Mayor's Office of Children & Family Success

***Completion Date:***

December 31, 2022

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-017**

**U.S. Department of Health and Human Services**

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

**Significant Deficiency in Compliance and Internal Control over Period of Performance**

**Repeat Finding:**      No

***Auditee's Corrective Action Plan:***

BCHD will implement controls to allow only costs within the period of performance to be charged to a grant. BCHD will ensure that if there are any exceptions that allow for costs to be charged outside the period of performance, the proper supporting documents will be kept. Baltimore City's new financial system, Workday, allows for all supporting documentation to be kept electronically in one system. Policies and procedures for internal controls will be updated to incorporate processes in Workday and the accounting staff will be trained appropriately.

***Contact Person:***

Chief of Finance & Administration  
Baltimore City Health Department

***Completion Date:***

December 2022

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-018**

**U.S. Department of Health and Human Services**

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

**Significant Deficiency over Reporting**

**Repeat Finding:      Yes**

***Auditee's Corrective Action Plan:***

BCHD will continue to work with the City's Finance department to ensure what is recorded on the general ledger reconciles to what is reported in the Form 440. The implementation of Workday Finance module should alleviate these findings.

***Contact Person:***

Chief of Finance & Administration  
Baltimore City Health Department

***Completion Date:***

December 2022

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-019**

**U.S. Department of Health and Human Services**

**AL No. 93.914      HIV Emergency Relief Project Grants**

**Material Weakness over Cash Management**

**Repeat Finding:      Yes**

***Auditee's Corrective Action Plan:***

The process for requesting drawdowns begins with the fiscal team managing the grant. A member of BCHD's fiscal team enters the drawdown request into the Federal Payment Management System (PMX). Baltimore City's treasury department is notified. After BCHD's fiscal team enters the request into PMX, there is no control over the timing of when the funds are received and when the funds are posted to the GL, as this is the responsibility of the City's Treasury department. BCHD has maintained adequate support for the drawdowns and provided reconciliation and explanation of variances for the draws selected. Baltimore City's new financial system, Workday, which went live August 8, 2022, should alleviate these findings.

***Contact Person:***

Chief of Finance & Administration  
Baltimore City Health Department

***Completion Date:***

December 2022

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-020**

**U.S. Department of Health and Human Services**

**AL No. 93.914 HIV Emergency Relief Project Grants**

**Material Weakness over Subrecipient Monitoring**

**Repeat Finding: Yes**

***Auditee's Corrective Action Plan:***

BCHD Audit & Compliance Manager will work with Accounting Supervisors and program leadership to develop a schedule and process for subrecipient monitoring by FY22.

***Contact Person:***

Chief of Finance & Administration  
Baltimore City Health Department

***Completion Date:***

December 2022



**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-021**

**U.S. Department of Health and Human Services**

**AL No. 93.940 HIV Prevention Activities Health Department Based**

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

**Repeat Finding: Yes**

***Auditee's Corrective Action Plan:***

Baltimore City's new payroll system, Workday, which went live for BCHD for the payroll period beginning December 24, 2020, allows for all timesheets and documentation for leave and overtime to be kept electronically and will alleviate these findings. There were no findings for the period of performance that began December 24, 2020.

***Contact Person:***

Chief of Finance & Administration  
Baltimore City Health Department

***Completion Date:***

December 2022

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-022**

**U.S. Department of Health and Human Services**

**AL No. 93.940      HIV Prevention Activities Health Department Based**

**Material Weakness over Cash Management**

**Repeat Finding:      Yes**

***Auditee's Corrective Action Plan:***

The process for requesting drawdowns begins with the fiscal team managing the grant. A member of BCHD's fiscal team enters the drawdown request into the Federal Payment Management System (PMX). Baltimore City's treasury department is notified. After BCHD's fiscal team enters the request into PMX, there is no control over the timing of when the funds are received and when the funds are posted to the GL as this is the responsibility of the City's treasury department. BCHD has maintained adequate support for the drawdowns and provided reconciliation and explanation of variances for the draws selected. Baltimore City's new financial system, Workday, which went live August 8, 2022, should alleviate these findings.

***Contact Person:***

Chief of Finance & Administration  
Baltimore City Health Department

***Completion Date:***

December 2022

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-023**

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

**Material Weakness over Period of Performance**

**Repeat Finding: Yes**

***Auditee's Corrective Action Plan:***

BCHD will implement controls to allow only costs within the period of performance to be charged to a grant. BCHD will ensure that if there are any exceptions that allow for costs to be charged outside the period of performance, the proper supporting documents will be kept. Baltimore City's new financial system, Workday, allows for all supporting documentation to be kept electronically in one system. Policies and procedures for internal controls will be updated to incorporate processes in Workday and the accounting staff will be trained appropriately.

***Contact Person:***

Chief of Finance & Administration  
Mayor's Office of Children & Family Success

***Completion Date:***

December 2022

**CITY OF BALTIMORE**

**Corrective Action Plans  
Year Ended June 30, 2021**

**Finding 2021-024**

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

**Significant Deficiency over Reporting**

**Repeat Finding: Yes**

***Auditee's Corrective Action Plan:***

BCHD will establish and implement controls to ensure reporting requirements are being met and ensure adequate reviews are in place to monitor control. The recent launch of Workday finance module should alleviate these findings.

***Contact Person:***

Chief of Finance & Administration  
Mayor's Office of Children & Family Success

***Completion Date:***

December 2022

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**SB & Company, LLC**

**Baltimore Office:**

10200 Grand Central Avenue, Suite 250

Owings Mills, Maryland 21117

410.584.0060 (P)

410.584.0061 (F)