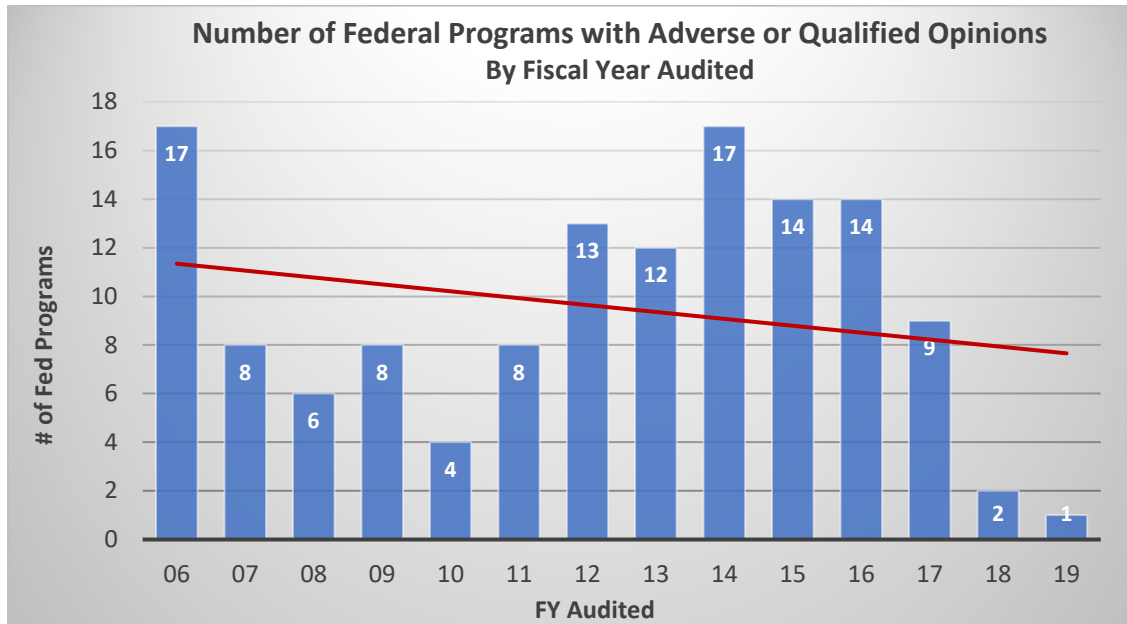


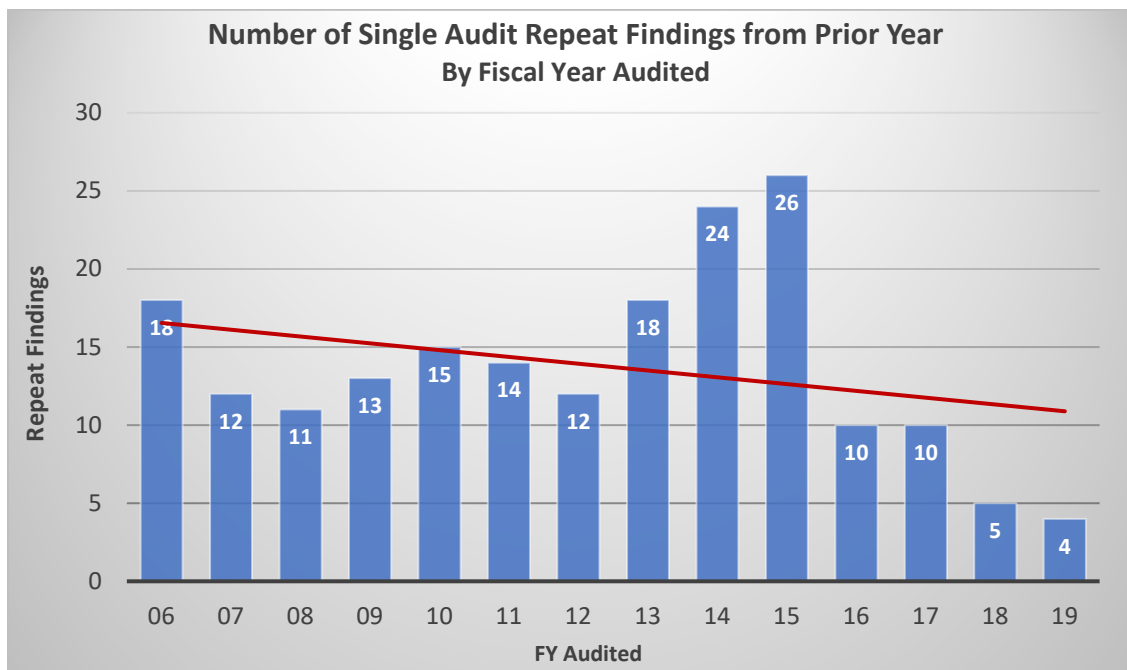
FY 2019 Federal Single Audit in Context

Auditors issue adverse or qualified opinions in the Federal Single Audit when the State does not comply with federal programs in a way that can have a direct and material effect on those programs or undermines compliance with the requirements of those programs. When such opinions are issued, the non-compliant programs must be re-audited the next year, which adds to the State's auditing expenses.

The first graph below shows the general downward trend in programs with these findings since 2006. This downward trend has been driven by 1) improved administration and coordination of programs and the audit, and 2) higher audit thresholds paired with lesser audit requirements.



The next graph shows the number of repeat findings from one Single Audit year to the next.



Overview of FY2019 Federal Single Audit Findings

The table below provides an overview of FY2019 Single Audit findings of compliance with major federal programs. To read the details of a finding, simply click on the finding number in the far-left column of the table, and the page will open in your Internet browser.

As the table below shows, auditors issued one qualified opinion for one program in FY2019, which must be re-audited as part of the FY2020 audit. That program is the Federal Highway Safety Cluster, and the auditors issued a repeat finding of material weakness in internal control and material noncompliance. All other FY2019 federal program findings concerned significant deficiencies in internal controls and noncompliance. As noted in this year's [Single Audit Report](#): "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."

Overview: FY2019 Single Audit of Major Federal Programs					
Finding # (Click to View)	State Agency	Federal Program	Adverse or Qualified Opinion?	Material Weakness?	Prior Year Finding?
2019-003	AOE	Child Nutrition Cluster	No	No	Yes
2019-004	AOE	Child Nutrition Cluster	No	No	Yes
2019-005	DFW	Fish and Wildlife Cluster	No	No	No
2019-006	CCVS	Crime Victims Assistance	No	No	No
2019-007	AOT	Highway Safety Cluster	Qualified	Yes	Yes
2019-008	AHS	Vocational Rehabilitation Grants	No	No	No
2019-009	AHS	Children's Health Insurance Program	No	No	No
2019-010	AHS	Medicaid Cluster	No	No	No
2019-011	AHS	Medicaid Children's Health Insurance	No	No	No
2019-012	AHS	Medicaid Cluster	No	No	Yes

Additionally, a material weakness was identified as part of the audit of internal control over financial reporting. The Department of Liquor Control did not have controls in place to ensure accounts receivable were recorded accurately. The details of this finding are available on [page 23 of the audit report](#). The Department indicated that it agrees with the finding and asserted this will be a one-time finding due to the merging of business units. A second finding pertaining to the State's financial statements concerned the Agency of Transportation, which did not have adequate controls to ensure that the Agency's procurement processes comply with established policies and procedures.