

MONTGOMERY COUNTY, ILLINOIS
SINGLE AUDIT REPORT IN ACCORDANCE
WITH THE UNIFORM GUIDANCE
FOR THE YEAR ENDED NOVEMBER 30, 2022

**MONTGOMERY COUNTY, ILLINOIS
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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

March 22, 2023

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

Montgomery County Board
Montgomery County, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County, Illinois, as of and for the year ended November 30, 2022, and the related notes to the financial statements, which collectively comprise Montgomery County, Illinois' basic financial statements and have issued our report thereon dated March 22, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings that we consider to be significant deficiencies. Finding 2022-002 was considered a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Montgomery County, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned cost as item 2022-001.

Montgomery County, Illinois' Response to Findings

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

Purpose of this Report

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



Alton, Illinois



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

September 22, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Montgomery County Board
Montgomery County, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Montgomery County, Illinois' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Montgomery County's major federal programs for the year ended November 30, 2022. The Montgomery County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Montgomery County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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



Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matters

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County, Illinois as of and for the year ended November 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 22, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of this Report

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



Alton, Illinois

MONTGOMERY COUNTY, ILLINOIS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED NOVEMBER 30, 2022

Federal Grantor Pass-Through Entity Program Title	Federal AL Number	Contract/ Project Number	Federal Expenditures
U.S. Department of Agriculture			
Illinois Department of Human Services			
WIC Special Supplemental Nutrition Program for Woman Infants, and Children			
WIC	10.557	FCSAQ00836	\$ 65,374
WIC	10.557	FCSBQ00836	87,437
WIC Breastfeeding Peer Counseling	10.557	FCSAQ01187	8,817
WIC Breastfeeding Peer Counseling	10.557	FCSBQ01187	12,715
Subtotal AL 10.557			<u>\$ 174,343</u>
Total Illinois Department of Human Services			<u>\$ 174,343</u>
Total U.S. Department of Agriculture			<u>\$ 174,343</u>
U.S. Department of Health and Human Services			
Illinois Department of Human Services			
Social Services Block Grant			
Social Services Block Grant	93.667	FCSAU06006	\$ 17,304
Social Services Block Grant	93.667	FCSBU06006	17,628
Subtotal AL 93.667			<u>\$ 34,932</u>
Block Grants for Prevention and Treatment of Substance Abuse			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	43CAZ03259	\$ 95,952
Block Grants for Prevention and Treatment of Substance Abuse	93.959	43CBZ03259	13,487
Block Grants for Prevention and Treatment of Substance Abuse	93.959	43CAC03074	8,152
Block Grants for Prevention and Treatment of Substance Abuse	93.959	43CBC03074	4,739
Block Grants for Prevention and Treatment of Substance Abuse	93.959	45CBB04227	57,619
Subtotal AL 93.959			<u>\$ 179,949</u>
Block Grants for Community Mental Health Services			
Block Grants for Community Mental Health Services	93.958	45CBB04227	\$ 47,489
Subtotal AL 93.958			<u>\$ 47,489</u>
Total Illinois Department of Human Services			<u>\$ 262,370</u>
Illinois Department of Public Health			
Immunization Cooperative Agreements			
Covid 19, Mass Vaccine	93.268	15080666I	\$ 105,013
Influenza Vaccine Promotion	93.268	25080067J	5,515
Subtotal AL 93.268			<u>\$ 110,528</u>
Epidemiology and Laboratory Capacity for Infectious Diseases(ELC)			
Covid 19, Contact Tracing	93.323	0518166H	\$ 16,704
Subtotal AL 93.323			<u>\$ 16,704</u>
Public Health Emergency Preparedness			
Public Health Emergency Preparedness	93.069	27180065J	\$ 28,043
Public Health Emergency Preparedness	93.069	37180065K	14,904
Subtotal AL 93.069			<u>\$ 42,947</u>
Public Health Emergency Response			
Covid 19, Public Health Emergency Response	93.354	27680066J	\$ 43,917
Subtotal AL 93.354			<u>\$ 43,917</u>
Epidemiology and Laboratory Capacity for Infectious Diseases(ELC)			
Covid 19, Response Grant	93.323	28180566J	\$ 118,362
Subtotal AL 93.323			<u>\$ 118,362</u>

The accompanying notes are an integral part of this schedule

MONTGOMERY COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED NOVEMBER 30, 2022

Federal Grantor Pass-Through Entity Program Title	Federal AL Number	Contract/ Project Number	Federal Expenditures
U.S. Department of Health and Human Services (Continued)			
Illinois Department of Public Health (continued)			
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations			
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	26180019J	\$ 79,149
Tribal Organizations	93.898	36180019K	177,843
Subtotal AL 93.898			<u>\$ 256,992</u>
Total Illinois Department of Public Health			<u>\$ 589,450</u>
Area Agency of Aging for Lincolnland			
National Family Caregiver Support and Special Programs for the Aging			
National Family Caregiver Support, Title III, Part E	93.052	AA02-22/23	\$ 7,008
Subtotal AL 93.052			<u>\$ 7,008</u>
Aging Cluster:			
National Family Caregiver Support, Title III, Part E	93.045	ARP AA 02-22	\$ 4,012
National Family Caregiver Support, Title III, Part E	93.045	ARP IA 02-22	6,071
Subtotal AL 93.045			<u>\$ 10,083</u>
Special Programs for the Aging, Title III, Part B Programs for Supportive Services for Senior Citizens	93.044	IA02-22/23	\$ 6,083
Special Programs for the Aging, Title III, Part B Programs for Supportive Services for Senior Citizens	93.044	VAC IA 02-22	1,216
Subtotal AL 93.044			<u>\$ 7,299</u>
Total Aging Cluster			<u>\$ 17,382</u>
Special Programs for the Aging, Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	MT02-22/23	\$ 3,000
Subtotal AL 93.041			<u>\$ 3,000</u>
CRRSA Act, 2021 suppl. Funding for APS under SSA Title XX			
CRRSA Act, 2021 suppl. Funding for APS under SSA Title XX	93.747	APSC507732	\$ 23,931
Subtotal AL 93.747			<u>\$ 23,931</u>
Total Area Agency of Aging for Lincolnland			<u>\$ 51,321</u>
Food and Drug Administration			
Retail Flexible Funding Model			
Retail Flexible Funding Model	93.103		\$ 42,267
Subtotal AL 93.103			<u>\$ 42,267</u>
Total Food and Drug Administration			<u>\$ 42,267</u>
Total U.S. Department Health and Human Services			
U.S. Department of the Treasury			
Illinois Department of Human Services			
Coronavirus State and Local Fiscal Recovery Funds			
Suicide Prevention First Responders	21.027	45CBB04500	\$ 3,857
999-Sustainability	21.027	45CAB04365	16,159
Crisis Services	21.027	45CAB04227	37,797
Block Grants for Prevention and Treatment of Substance Abuse	21.027		17,345
Subtotal AL 21.027			<u>\$ 75,158</u>
Total Illinois Department of Human Services			<u>\$ 75,158</u>
American Rescue Plan Act			
American Rescue Plan Act	21.027		\$ 906,957
Subtotal AL 21.027			<u>\$ 906,957</u>
Total U.S. Department of the Treasury			<u>\$ 982,115</u>

The accompanying notes are an integral part of this schedule

MONTGOMERY COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED NOVEMBER 30, 2022

Federal Grantor Pass-Through Entity Program Title	Federal AL Number	Contract/ Project Number	Federal Expenditures
U.S. Environmental Protection Agency			
Illinois Department of Public Health			
Performance Partnership Grant			
CHPG	66.605	25080067J	\$ 108
CHPG	66.605	38080067K	184
Subtotal AL 66.605			<u>\$ 292</u>
Total Illinois Department of Public Health			<u>\$ 292</u>
Total U.S. Environmental Protection Agency			<u>\$ 292</u>
U.S. Election Assistance Commision			
Illinois State Board of Elections			
HAVA eleciton Security Grant	90.404		\$ 13,059
Polling Place Accessibility	90.404		530
Subtotal AL 90.404			<u>\$ 13,589</u>
Total Illinois State Board of Elections			<u>\$ 13,589</u>
U.S. Department of Homeland Security			
Illinois Emergency Management Agency			
Emergency Management Performance Grant			
Emergency Management Performance Grant	97.042		\$ 8,113
Subtotal AL 97.042			<u>\$ 8,113</u>
Public Asistance-Disaster Grant			
Public Asistance-Disaster Grant	97.036		\$ 29,672
Subtotal AL 97.036			<u>\$ 29,672</u>
Total Illinois Emergency Management Agency			<u>\$ 37,785</u>
Total U.S. Department of Homeland Security			<u>\$ 37,785</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,153,532</u></u>

The accompanying notes are an integral part of this schedule

MONTGOMERY COUNTY, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED NOVEMBER 30, 2022

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Montgomery County, Illinois (the County) under programs of the federal government for the year ended November 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in fund balance, revenues and expenditures of the County.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. SUBRECIPIENTS

The County did not pass through any federal funds to subrecipients during the year ended November 30, 2022.

NOTE 4. NONMONETARY ASSISTANCE

The County did not receive nonmonetary assistance from federal programs during the year ended November 30, 2022.

NOTE 5. FEDERAL INSURANCE

The County had no federal insurance as it relates to federal programs in effect for the year ended November 30, 2022.

NOTE 6. LOANS AND LOAN GUARANTEES

The County had no outstanding loans or loan guarantees as it relates to federal sources as of November 30, 2022.

NOTE 7. INDIRECT COST RATE

The County has elected to use the 10% de minimis indirect cost rate.

MONTGOMERY COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED NOVEMBER 30, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of Auditor’s Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weaknesses Identified? No

Significant Deficiencies That Are Not Considered to Be Material Weaknesses? Yes

See 2022-002

Noncompliance Material to Financial Statements Noted? Yes

See 2022-001

Federal Awards

Internal Control Over Major Programs:

Material Weakness Identified? No

Significant Deficiencies That Are Not Considered to Be Material Weaknesses? No

Type of Auditor’s Report Issued on Compliance For Major Programs: Unmodified

Audit Findings Required to Be Reported In Accordance With 2 CFR section 200.516(a): Yes

See 2022-03

Major Programs

<u>AL Number</u>	<u>Name of Federal Program</u>
21.027	Coronavirus State & Local Fiscal Recovery Funds

Dollar Threshold Used to Determine Between Type A and Type B Programs: \$750,000

Auditee does not qualify as a low-risk auditee.

MONTGOMERY COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED NOVEMBER 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2022-001

Criteria: Title 2 U.S. Code of Federal regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires that the financial management system of the County provide for the identification of all Federal awards received and expended and the Federal programs for which they are received. The Uniform Guidance also requires that the County prepare a Schedule of Expenditures of Federal Awards (SEFA) that includes all Federal awards expended during the fiscal year.

Condition: The federal awards expenditure data compiled by the County to prepare the SEFA was found to be incomplete and inaccurate.

Cause: Grants management is decentralized across County department. At year end, the County Treasurer requests that department administrators complete a form summarizing data necessary for completion of the SEFA. In some instances, the data provided by department administrators was found to be incomplete or inaccurate.

Effect: The County is not in compliance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*.

Recommendation: We recommend all County departments receiving federal awards, establish a financial management system that provides for the identification of all Federal awards received and expended and the Federal programs for which they received.

Response: The Montgomery County Treasurer will work with the Department heads to track Federal awards and expenditures separately in the financial management system.

Finding 2022-002

Condition: The County relies on its auditors for the preparation of the County's financial statements and all required disclosures in accordance with the cash basis of accounting.

Cause: The County does not have on staff someone with the expertise to prepare the financial statements and all required disclosures in accordance with the cash basis of accounting.

Effect: Inaccurate or incomplete financial statements could be issued to the public and other third parties due to this lack of expertise.

Recommendation: The County should consider the costs and benefits of hiring staff with expertise or contracting with an outside Certified Public Accounting firm to ensure the County's annual financial statements and all required disclosures are prepared in accordance with the cash basis of accounting.

Response: The County will consider the economic feasibility of retaining an employee or an outside Certified Public Accountant to prepare the statements and note disclosures.

MONTGOMERY COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED NOVEMBER 30, 2022

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONS COSTS

Finding 2022-003

Federal Program Name: Coronavirus State & Local Fiscal Recovery Funds

AL Number: 21.027

Federal Agency: U.S. Department of the Treasury

Criteria: Recipients are expected to have procurement policies and procedures in place that comply with the procurement standards outlined in the Uniform Guidance.

Statement of Condition: One out of three bids tested did not follow the steps outlined in the County's procurement policies and procedures.

Questioned Costs: None

Effect of Condition: Failure to comply with procurement policies and procedures puts the grantee in noncompliance with laws, regulations and provisions of contracts or grant agreements.

Cause of Condition: The County did not obtain competitive bids for equipment that exceeded the \$30,000 threshold outlined in their procurement policies and procedures.

Recommendation: The County should communicate with all department heads about the procurement policies and procedures to ensure they are being followed.

Response: The County will set protocol for making sure the bid process is being followed as each office requests funds for these special purposes. Proof of documentation of advertisement, bids and purchase will be required.

MONTGOMERY COUNTY, ILLINOIS
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED NOVEMBER 30, 2022

FINANCIAL STATEMENT FINDINGS

Finding 2021-001

Condition: The federal awards expenditure data compiled by the County to prepare the SEFA was found to be incomplete and inaccurate.

Current Status: The County relies on the auditor to prepare the SEFA. This is a recurring finding. See 2022-001.

Finding 2021-002

Condition: The County relies on its auditors for the preparation of the County's financial statements and all required disclosures in accordance with the cash basis of accounting.

Current Status: The County will consider the economic feasibility of retaining an employee or an outside Certified Public Accountant to prepare the statements and note disclosures. This is a recurring finding. See 2022-002.

FEDERAL AWARDS FINDINGS

Finding 2021-003

Condition: The County did not submit timely reports for the following reporting periods; February 28, 2021 and May 31, 2021.

Current Status: The County is in the process of creating a grant reporting follow up procedure to make sure departments are hitting deadlines that the State or agencies set.



OFFICE OF
MONTGOMERY COUNTY TREASURER
AND COLLECTOR

1 Courthouse Square, Room 101, Hillsboro, Illinois 62049
(217) 532-9521 FAX (217) 532-2404

Nikki Lohman, Treasurer and Collector
September 22, 2023

CORRECTIVE ACTION PLAN

Montgomery County, Illinois respectfully submits the following corrective action plan for the year ended November 30, 2022.

Name and address of the independent public accounting firm:

Scheffel Boyle
322 State Street
Alton, IL 62002

Audit Period: For the Year Ended November 30, 2022

The findings from the September 22, 2023 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Financial Statement Findings

Finding 2022-001

Condition: The federal awards expenditure data compiled by the County to prepare the SEFA was found to be incomplete and inaccurate.

Plan: The County should consider the costs and benefits of establishing a financial management system that provides for the identification, in its accounts, of all Federal awards received and expended and the Federal programs for which they are received for all County Departments receiving federal awards.

Name of Contact Person: Nikki Lohman, Treasurer

Management Response: The Montgomery County Treasurer will work with the Department heads to track Federal awards and expenditures separately in the financial management system.

Anticipated Date of Completion: Ongoing Analysis

Finding 2022-002

Condition: The County relies on its auditors for the preparation of the County's financial statements and all required disclosures in accordance with the cash basis of accounting.

Plan: The County should consider the costs and benefits of hiring staff with expertise or contracting with an outside Certified Public Accounting firm to ensure the County's annual financial statements and all required disclosures are prepared in accordance with the cash basis of accounting.

Name of Contact Person: Nikki Lohman, Treasurer

Management Response: The County will consider the economic feasibility of retaining an employee or an outside Certified Public Accountant to prepare the statements and note disclosures.

Anticipated Date of Completion: Ongoing Analysis

Major Federal Award Programs Findings & Questioned Costs

Finding 2022-003

Condition: One out of three bids tested did not follow the steps outlined in the County's procurement policies and procedures.

Plan: The County should communicate with all department heads about the procurement policies and procedures to ensure they are being followed.

Name of Contact Person: Nikki Lohman, Treasurer

Management Response: The County will set protocol for making sure the bid process is being followed as each office requests funds for these special purposes. Proof of documentation of advertisement, bids and purchase will be required.

Anticipated Date of Completion: Ongoing Analysis

If there are any questions regarding this plan, contact the County Treasurer's Office at Montgomery County, Illinois Old Courthouse, 1 Courthouse Square, Hillsboro, IL 62049 or at 217-532-9521.

Sincerely yours,



Nikki Lohman, County Treasurer



Andy Ritchie, Finance Committee Chair