

SECRETARY OF STATE

Keeping Oregon Accountable



Fiscal Year 2020

AUDIT OVERVIEW – FISCAL YEAR 2020

- 9 months of audit work
- 23 state agencies
- 14 federal programs
- Results published in Statewide Single Audit Report
 - Current financial and federal findings
 - Status of findings from two preceding years
 - Agency management's responses to findings
 - Schedule of Expenditures of Federal Awards (SEFA)

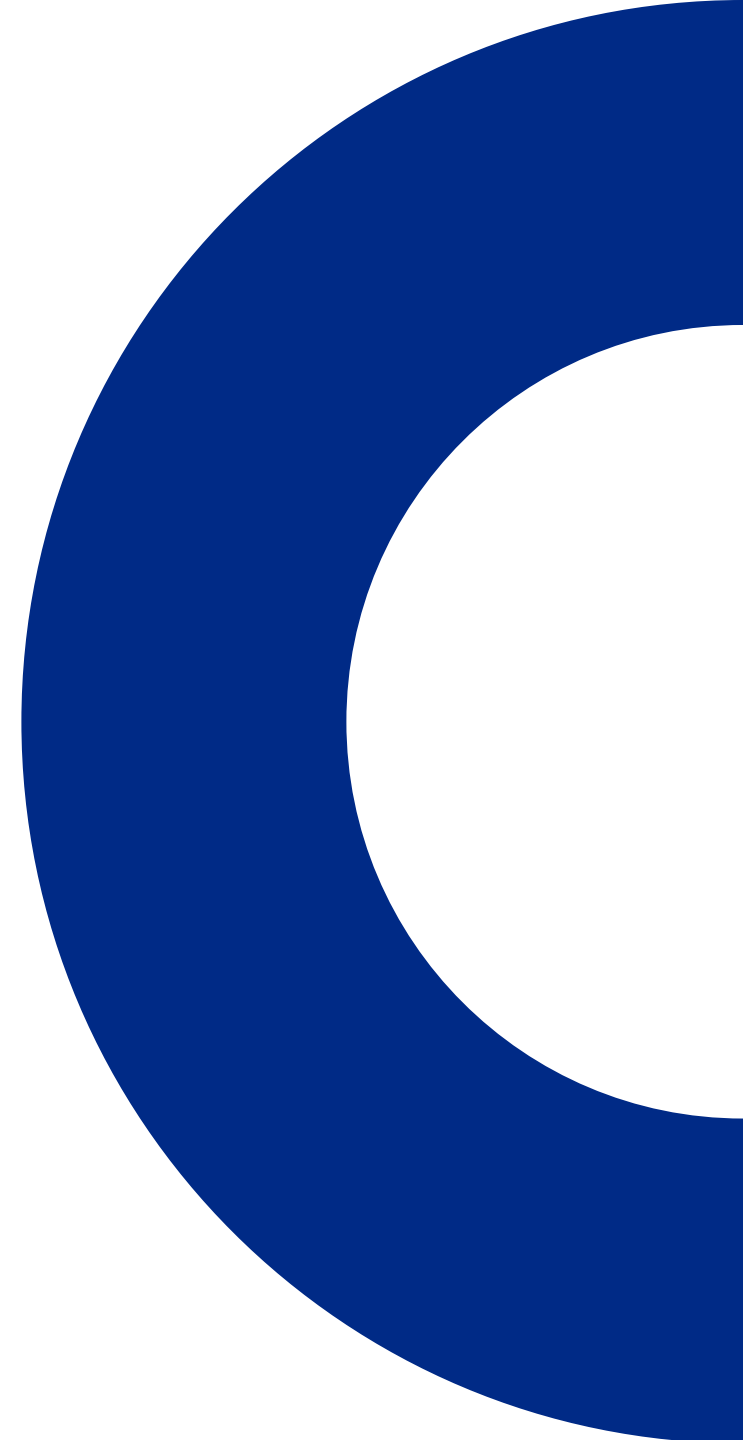


FIGURE 1

5-year history of findings issued

Figure 1: Material weaknesses increased

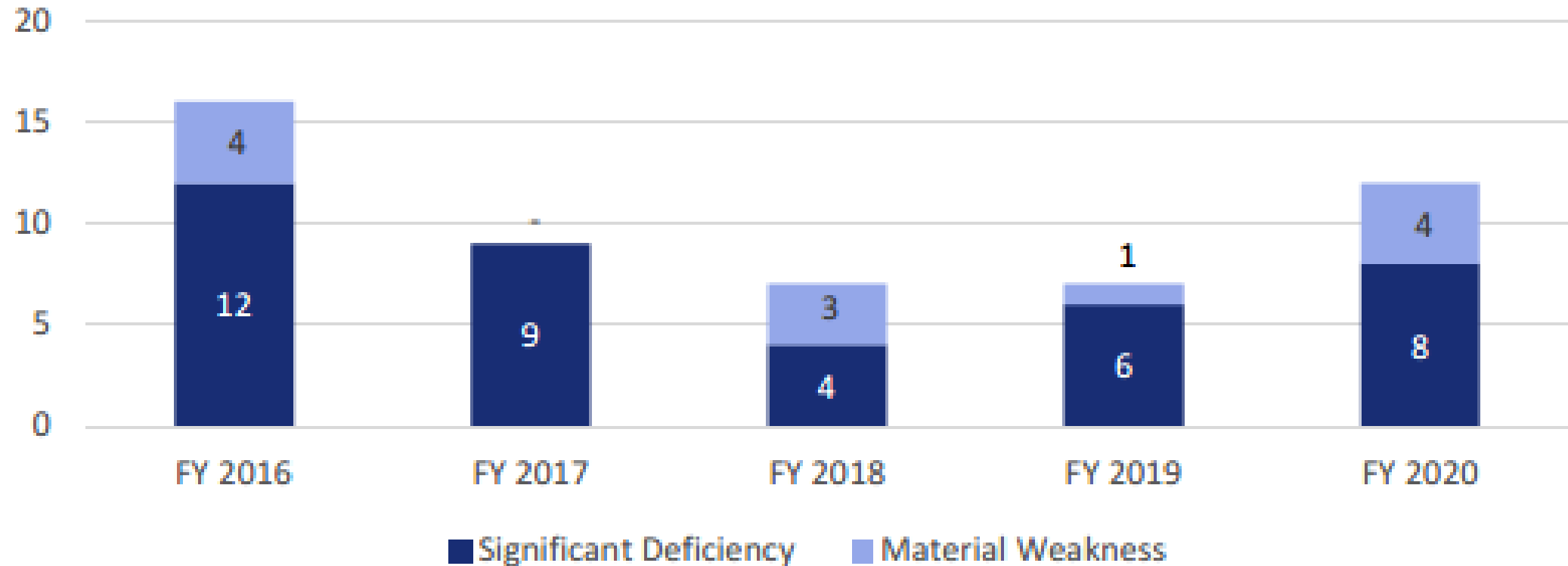


FIGURE 2

5-year history of audit adjustments

Figure 2: New accounting standard caused increase in adjustment amounts in fiscal year 2020

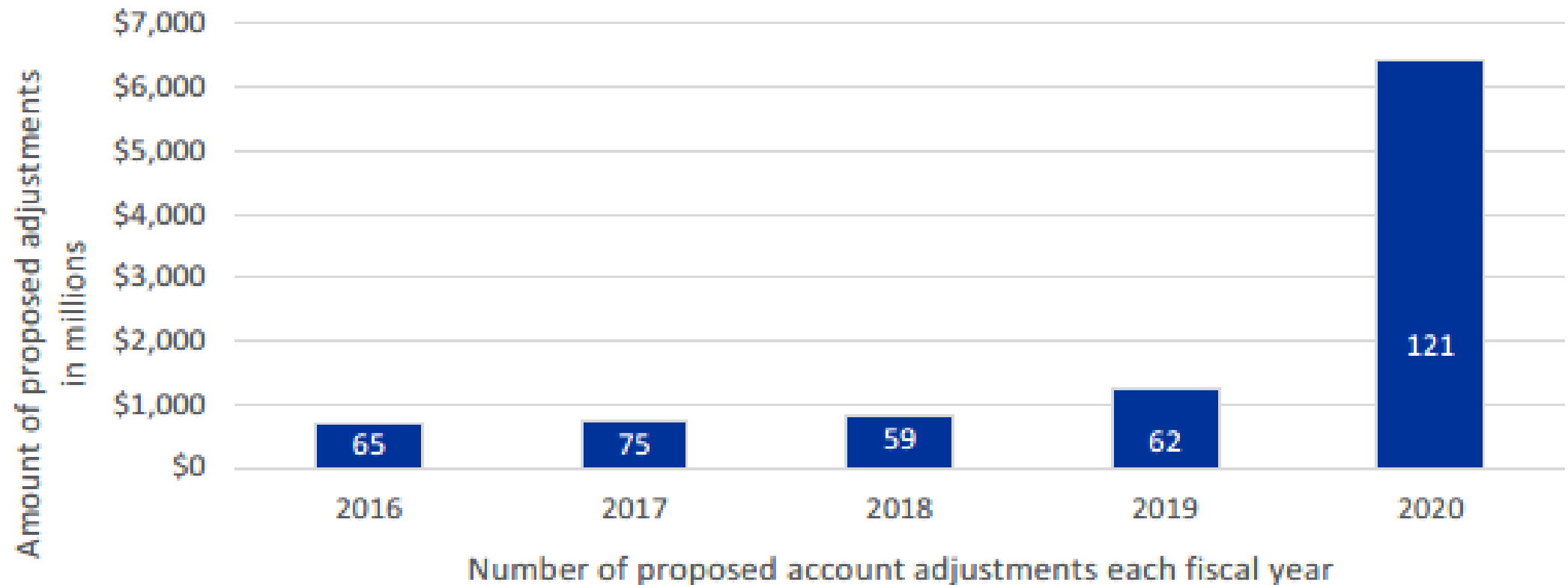




FIGURE 3

Proposed audit adjustments

Figure 3: Proposed financial audit adjustments totaled \$6.4 billion for fiscal year 2020

State agency	Accounts affected	Amount
Department of Revenue	14	\$ 4,769,421,145
Department of Human Services / Oregon Health Authority	30	924,922,587
Department of Consumer and Business Services	3	407,913,080
Employment Department	4	102,167,818
Multiple Agencies*	30	93,364,669
Department of Education	11	58,718,002
Department of Administrative Services	8	31,183,110
Oregon Department of Forestry	3	10,481,629
Department of Transportation	7	8,687,904
Oregon Military Department	5	7,840,865
Oregon Business Development Department	2	5,205,496
Judicial Department	2	1,400,000
Housing and Community Services Department	2	1,229,774
Total	121	\$ 6,422,536,080

*In fiscal year 2020, adjustments were proposed to identify and track activity related to late Coronavirus Relief Fund and Federal Emergency Management Fund (FEMA) distributions that were not included in the financial statements, as well as smaller agencies that are part of the reporting entity, but optionally excluded from the financial statements.

FIGURE 4

Progress in correcting financial statement findings

Figure 4: Agencies improve correction of findings

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Total prior year findings reviewed	12	18	19	20	16
Prior year findings, not resolved	2	11	14	13	7
Prior year findings, corrected	10	7	5	7	9
Rate of corrections	83%	39%	26%	35%	56%

FIGURE 5

Fiscal year 2020 federal expenditures and audit coverage

Figure 5: We audited 82% of fiscal year 2020 single audit expenditures

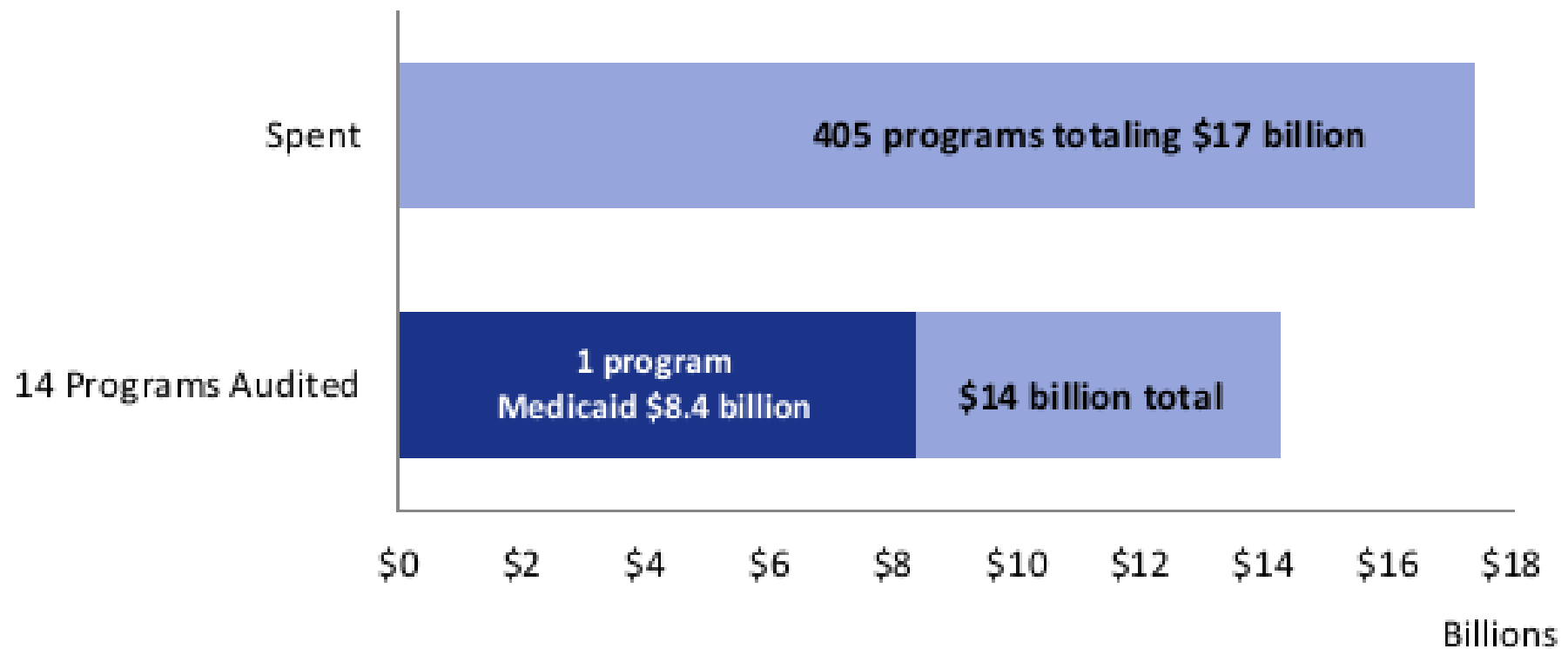


FIGURE 6

Fiscal year 2020 state agency federal expenditures

Figure 6: DHS and OHA account for over half of federal expenditures by state agencies, fiscal year 2020

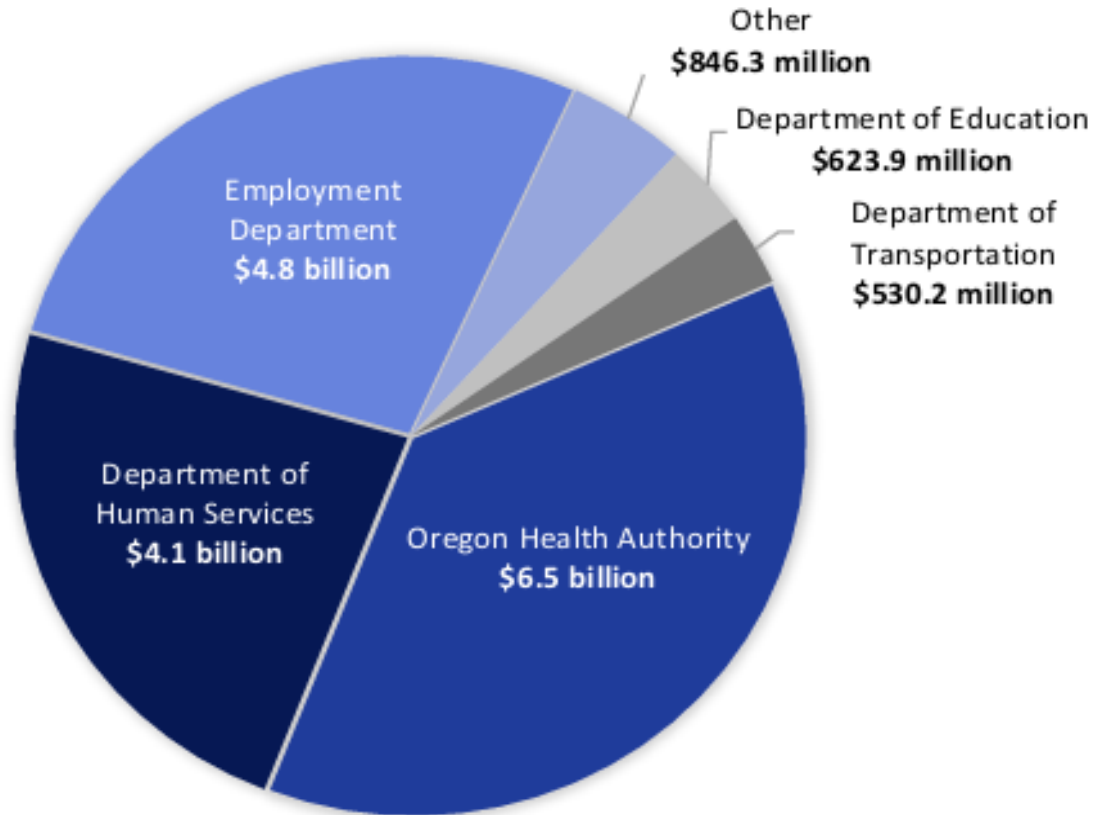


FIGURE 8

History of Medicaid expenditures

Figure 8: Federal and state Medicaid expenditures increase each year

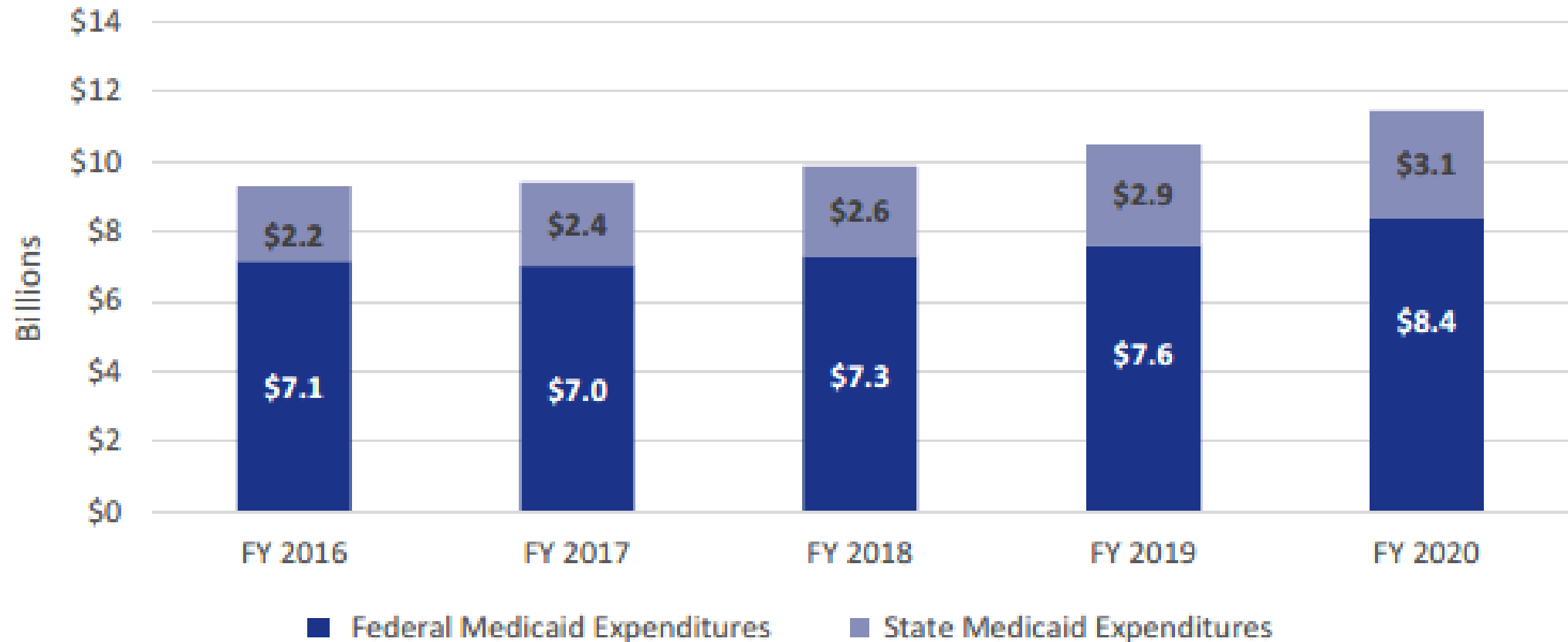


FIGURE 9

Details of fiscal year 2020 audited federal programs

Figure 9: We audited 14 programs expending \$14.2 billion in federal funds for fiscal year 2020

Federal Program	2020 Findings	Federal Program Expenditures
Medicaid Cluster	3	\$ 8,376,349,854
Unemployment Insurance	1	\$ 4,735,799,800
Children's Health Insurance Program	3	\$ 296,909,193
Temporary Assistance for Needy Families (TANF)	5	\$ 155,983,197
Coronavirus Relief Fund	0	\$ 128,073,293
1332 State Innovation Waivers	0	\$ 96,327,339
Child Care and Development Fund (CCDF)	5	\$ 95,250,099
Disaster Grants – Public Assistance	2	\$ 84,290,275
Vocational Rehabilitation	3	\$ 64,267,312
National Guard Military Operations and Maintenance Projects	3	\$ 59,152,418
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	0	\$ 55,993,089
Clean Water State Revolving Fund Cluster	0	\$ 24,750,898
Aging Cluster	1	\$ 21,536,555
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	1	\$ 20,915,026
	27	\$ 14,215,921,222

Two findings for non-major programs (Foster Care and Fish & Wildlife Cluster) not included in this chart; Foster Care finding shared with TANF which is counted above.

FIGURE 10

Questioned costs in fiscal year 2020 audited federal programs

Figure 10: The majority of 2020 questioned costs reported were for the CCDF program

State Agency	Federal Program Expenditures	Questioned Costs
Department of Human Services		
Temporary Assistance for Needy Families (TANF)	\$ 153,460,930	\$ 12,857
Foster Care (non-major program)	112,150,255	127,654
Child Care and Development Fund (CCDF)	57,024,869	1,996,592
Oregon Health Authority/Department of Human Services		
Medicaid Cluster	8,357,819,779	16,500
Oregon Health Authority		
Children's Health Insurance Program	289,364,244	367,995
Oregon Military Department		
National Guard Military Operations and Maintenance	59,152,418	148,519
Department of Education		
Child Care and Development Fund (CCDF)	38,225,230	2,181,058
Oregon Employment Department		
Unemployment Insurance	4,735,799,800	264,669
Total	\$ 13,802,997,525	\$ 5,115,844



FIGURE 12

Ongoing federal program findings history

Figure 12: History of ongoing findings

Agency	Program	Finding Summary	Origination Year	Years Ongoing
DHS	Temporary Assistance for Needy Families	Accurate reports	2010	11
DHS/OHA	Medicaid	Client eligibility	2010	11
DHS/OHA	Medicaid	Provider eligibility	2012	9
DHS	Foster Care*	System errors	2012	9
DHS	Adoption Assistance	Data errors	2014	7
DHS	Child Care and Development Fund	Incorrect copays	2014	7
ODFW	Fish & Wildlife Cluster	Monitoring real property	2017	4
OCB	Vocational Rehabilitation	Reporting	2017	4

*This system error affects additional programs in various years

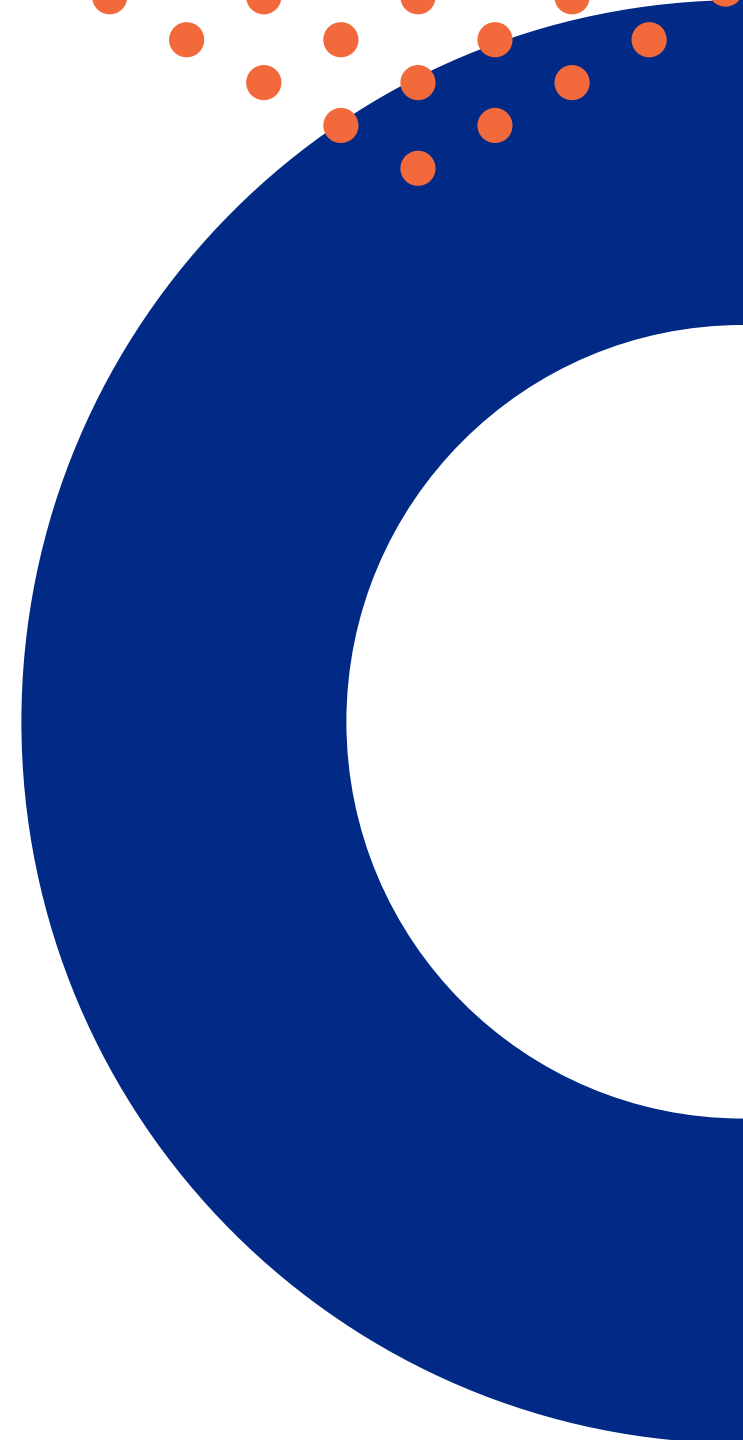
DHS – Department of Human Services

OHA – Oregon Health Authority

ODFW – Oregon Department of Fish & Wildlife

OCB – Oregon Commission for the Blind

QUESTIONS?





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