

**MENARD COUNTY, ILLINOIS**  
**SINGLE AUDIT REPORT**  
**YEAR ENDED NOVEMBER 30, 2022**



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

Chairman and Other County Commissioners  
Menard County, Illinois  
Petersburg, 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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Menard County, Illinois, as of and for the year ended November 30, 2022, and the related notes to the financial statements, which collectively comprise the Menard County, Illinois' basic financial statements, and have issued our report thereon dated December 10, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Menard County, Illinois' 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 Menard County, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of Menard 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002 and 2022-003 that we consider to be material weaknesses.

Chairman and Other County Commissioners  
Menard County, Illinois

### **Report on Compliance and Other Matters**

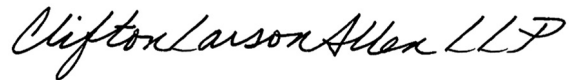
As part of obtaining reasonable assurance about whether Menard County, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Menard County, Illinois' Response to Findings**

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

### **Purpose of This Report**

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



**CliftonLarsonAllen LLP**

Peoria, Illinois  
December 10, 2024



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

Chairman and Other County Commissioners  
Menard County, Illinois  
Petersburg, Illinois

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

***Opinion on Each Major Federal Program***

We have audited Menard 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 the Menard County, Illinois' major federal programs for the year ended November 30, 2022. Menard County, Illinois' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Menard County, Illinois complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Menard 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 Menard 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 Menard County, Illinois' federal programs.

***Auditors' Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Menard 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 Menard 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 Menard 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 costs as items 2022-004 and 2022-005. Our opinion on each major federal program is not modified with respect to this matter.

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

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-004, 2022-005 and 2022-006 to be significant deficiencies.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on Menard County, Illinois' response to the internal control over compliance findings identified in our audit described in the accompanying schedules of findings and questioned costs. Menard County, Illinois' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Chairman and Other County Commissioners  
Menard County, Illinois

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

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Menard County, Illinois as of and for the year ended November 30, 2022, and the related notes to the financial statements, which collectively comprise the Menard County, Illinois basic financial statements. We issued our report thereon dated, December 10, 2024 which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Peoria, Illinois  
December 10, 2024



**MENARD COUNTY, ILLINOIS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED NOVEMBER 30, 2022**

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</b>				
Illinois Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	R-96-001-19	\$ -	\$ 21,164
Highway Planning and Construction	20.205	C-96-012-20	-	8,263
			-	29,427
<b>U.S. DEPARTMENT OF THE TREASURY</b>				
Direct: COVID-19 - State and Local Fiscal Recovery Funds	21.027*	N/A	-	793,892
Illinois Department of Healthcare and Family Services				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027*	ARPA230282	-	144,716
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027*	ARPA000437	-	25,199
			-	169,915
Total U.S. Department of Treasury			-	963,807
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Direct: COVID-19 - Provider Relief Fund	93.498	N/A	-	118,626
Illinois Department of Public Health				
Public Health Emergency Preparedness (PHEP)				
Public Health Emergency Preparedness (PHEP)	93.069	27180062J	-	17,724
Public Health Emergency Preparedness (PHEP)	93.069	31780062K	-	4,916
			-	22,640
Immunization Cooperative Agreements				
COVID-19 Mass Vaccination Grant	93.268	150800634	-	81,462
COVID-19 Mass Vaccination Grant	93.268	38180864K	-	28,231
			-	109,693
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)				
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	28180563J	-	18,753
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	05180163H	-	222,296
			-	241,049
Total Illinois Department of Public Health			-	373,382
AgeLinc				
MIPPA - State Health Insurance Assistance Program	93.071	MIPPA-SHIP 20-21	-	2,840
MIPPA - ADRC	93.071	MIPPA-ADRC 20-21	-	394
MIPPA - AAA's	93.071	MIPPA-PRIORITY 2 20-21	-	958
			-	4,192
State Health Insurance Assistance Program	93.324	MIP2107 20-21	-	3,000
Total AgeLinc			-	7,192
East Central Illinois Area Agency on Aging				
Title III B Supportive Services	93.044	T20-22	-	15,590
Title III B Supportive Services	93.044	T23	-	3,046
			-	18,636
Total Department of Health and Human Services			-	517,836
Total Federal Awards			\$ -	\$ 1,511,070

\*Denotes a Major Program

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**MENARD COUNTY, ILLINOIS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**NOVEMBER 30, 2022**

**NOTE 1      BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Menard County, Illinois under programs of the federal government for the year ended November 30, 2022. The information in this schedule is presented in accordance with requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The County elected not to use the 10% de minimis indirect cost rate during the year ended November 30, 2022.

**NOTE 2      SUBRECIPIENTS**

There were no payments to subrecipients related to federal awards noted during the year ended November 30, 2022.

**NOTE 3      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. Pass-through entity identifying numbers are presented where available.

**NOTE 4      NONCASH ASSISTANCE**

The County did not receive any federal awards in the form of noncash assistance for insurance in effect during the fiscal year, loans or loan guarantees.

**MENARD COUNTY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED NOVEMBER 30, 2022**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

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

**Federal Awards**

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

**Identification of Major Federal Programs**

**Assistance Listing Number(s)**

21.027

**Name of Federal Program or Cluster**

COVID-19 Coronavirus State and Local Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$     750,000    

Auditee qualified as low-risk auditee?

           yes     x     no

**MENARD COUNTY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED NOVEMBER 30, 2022**

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***Section II – Financial Statement Findings***

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**2022 – 001 Financial Statement Preparation**

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

**Condition:** The County does not have an internal control policy in place over annual financial reporting that would enable management to prepare its annual financial statements and related footnote disclosures to ensure they are complete and presented in accordance with U.S GAAP.

**Criteria or specific requirement:** County management is responsible for establishing and maintaining internal controls for the fair presentation in the financial statements, including disclosures in accordance with GAAP.

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

**Cause:** The County relies on the audit firm to prepare the annual financial statements and related footnote disclosures. However, they have reviewed and approved the annual financial statements and the related footnote disclosures.

**Repeat finding:** No

**Recommendation:** Management should continue to evaluate its internal staff capacity to determine if an internal control policy over the annual financial reporting is beneficial. The County should consider the costs vs. benefits of additional training for existing employees or the prospect of hiring a CPA.

**Views of responsible officials and planned corrective actions:** Since the FY22 Audit was completed within the fiscal year of 2024, the outside CPA and staff in the Treasurer's office are no longer employed by the County. Moving forward, the board will need to discuss the cost vs. benefit regarding hiring another outside CPA or additional training for current staff to assist with ensuring the financial statements are complete and presented in accordance with U.S. GAAP.

**MENARD COUNTY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED NOVEMBER 30, 2022**

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***Section II – Financial Statement Findings (Continued)***

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**2022 – 002 Segregation of Duties**

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

**Condition:** The County does not have an internal control system that provides an ideal segregation of duties. Specifically, the County Clerk and Treasurer have the ability to record transactions and sign checks. The Circuit Clerk does not perform a formal review of bank reconciliations. The County Treasurer has the ability to record cash receipt transactions and handle physical cash collections and deposits at the bank. Also, the County does not have a control in place to independently review manual journal entries on a consistent basis.

**Criteria or specific requirement:** An effective system of internal control is based on a good segregation of duties. In order to have a system of segregation of duties, there must be a number of personnel available to whom responsibilities can be assigned to provide the appropriate checks and balances of any system.

**Effect:** As a result of the lack of segregation of duties, due to the limited number of personnel involved in accounting transactions, there is a higher risk that errors or misappropriation could occur and not be detected within a timely period.

**Cause:** There is a limited number of personnel involved in accounting transactions within the County offices.

**Recommendation:** When this condition exists, management's close supervision and review of accounting information is the best means of preventing or detected errors and irregularities. The County Board should continue to closely monitor financial reporting.

**Views of responsible officials and planned corrective actions:** Since the FY22 Audit was completed within 2024, the outside CPA staff in the Treasurer's office are no longer employed by the County. Since January of 2024, procedures implemented by the current office include reconciliation of bank accounts and preparation of monthly financial statements which are delivered to each department for review and comment. Any questions and/or discrepancies are addressed and corrected if necessary. In addition, the county board also receives monthly departmental financial reports for review.

**MENARD COUNTY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED NOVEMBER 30, 2022**

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***Section II – Financial Statement Findings (Continued)***

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**2022 – 003 Material Audit Adjustments**

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

**Condition:** During the course of our audit, we proposed a variety of adjustments, including various prior period adjustments that had a material effect on the County's financial statements.

**Criteria or specific requirement:** Management is responsible for the accuracy and completeness of all financial records and related information, including adjusting the financial statements to correct material misstatements and produce accurate financial statements on a timely basis.

**Effect:** Material adjustments were proposed and subsequently recorded by management. The lack of sufficient controls over year end reporting increases the likelihood that a material misstatement would not be prevented or detected.

**Cause:** The County has a limited number of personnel. The County places some reliance on the audit firm to propose adjustments from the cash basis to the accrual basis of accounting. Management has reviewed and approved the adjustments.

**Recommendation:** We recommend management enhance the internal controls over financial reporting. Year-end closing procedures should be expanded to ensure all transactions have been accounted for, appropriate accounting standards have been applied, and transactions are recorded in the proper period. The County could consider hiring an external CPA to help with ensuring all transactions have been accounted for.

**Views of responsible officials and planned corrective actions:** Every effort is made to allocate revenue & expenses to the appropriate g/l code. Review of correct allocation is done upon monthly departmental review of the budget reports. Any corrections necessary are completed in an expedited manner to ensure revenue and expenses reflect accurate information.

**MENARD COUNTY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED NOVEMBER 30, 2022**

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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**2022 – 004 Reporting**

**Federal agency:** U.S. Treasury Department

**Federal program title:** COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

**FALN Number:** 21.027

**Award Period:** March 2021 through December 2024

**Type of Finding:**

- Significant Deficiency in Internal Control Over Compliance
- Other Matters

**Criteria or specific requirement:** For the SLFRF program, the County is required to submit certain financial and performance reports.

**Condition:** During our testing, we noted the County, specifically the Sunny Acres Nursing Home, was not able to provide documentation that their reports were reviewed and approved prior to submission. Also, it was noted that the County did not submit a required report.

**Questioned costs:** None

**Context:** During our testing, we noted the County was not able to provide documentation that their reports were reviewed and approved prior to submission. Also, it was noted that the County did not submit 1 of 3 required reports tested.

**Cause:** The County could not provide documentation that their reports were reviewed and approved prior to submission. Also, the required quarterly performance report due November 15, 2022 was not submitted. The County was unaware of these requirements related to the grant.

**Repeat finding:** No

**Effect:** Noncompliance could lead to impact on future funding for the County.

**Recommendation:** We recommend that the County review and approve reports prior to submission and submit all required reports.

**Views of responsible officials:** The Menard County Board of Commissioners will review and approve financial and performance reports prior to submission.

**MENARD COUNTY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED NOVEMBER 30, 2022**

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

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**2022 – 005 Procurement/Suspension & Debarment**

**Federal agency:** U.S. Treasury Department

**Federal program title:** COVID-19 Coronavirus State and Local Fiscal Recovery Funds

**FALN Number:** 21.027

**Award Period:** March 2021 through December 2024

**Type of Finding:**

- Significant Deficiency in Internal Control Over Compliance
- Other Matters

**Condition:** During our testing, we noted the County did not have internal controls designed to ensure compliance with federal procurement and suspension and debarment requirements.

**Criteria or specific requirement:** 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award requires compliance with the provisions of procurement and suspension and debarment. The County should have internal controls designed to ensure compliance with those provisions. The County is required to have documentation and follow procurement requirements including obtaining price or rate quotations from an adequate number of qualified sources for small purchases and sealed bids. The County is also required to verify an entity is not suspended or debarred.

**Questioned costs:** None

**Context:** During our testing, it was noted that the County did not follow procurement requirements for 2 of 3 small purchases and 1 of 1 sealed bids tested. The County did not follow suspension and debarment requirements.

**Cause:** The County does not have a written procurement policy in place that clearly addresses compliance with federal grant requirements per the Uniform Guidance.

**Effect:** The County's noncompliance with procurement and suspension and debarment requirements could lead to a negative impact on future funding for the County.

**Repeat finding:** No

**Recommendation:** We recommend the County review the federal procurement requirements outlined in the federal Uniform Guidance and create a written policy to address federal compliance requirements. Additionally, we recommend a designated individual at the County ensures purchases made with federal grant funding comply with federal procurement requirements by type of procurement (micropurchase, small purchase, sole-source, etc.) and also suspension and debarment requirements.



**MENARD COUNTY, ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED NOVEMBER 30, 2022**

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

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**Views of responsible officials:** Both Management and Staff shall be required to review federal procurement requirements as relayed in the Uniform Guidance. A written policy will be created and followed to address federal compliance requirements by type of procurement (micro purchase, small purchase, sole source, etc.) along with suspension and debarment requirements.

**2022 – 006 Allowable Costs**

**Federal agency:** U.S. Treasury Department

**Federal program title:** COVID-19 Coronavirus State and Local Fiscal Recovery Funds

**FALN Number:** 21.027

**Award Period:** March 2021 through December 2024

**Type of Finding:**

- Significant Deficiency in Internal Control Over Compliance

**Condition:** During our testing, it was noted that the County could not provide supporting documentation of approval for some of the wages that were charged to the grant.

**Criteria or specific requirement:** The County is required to have an internal control over compliance with all federal compliance requirements.

**Context:** During our testing, it was noted that the County could not provide supporting documentation of approval for 7 of 60 payroll transactions charged to the grant.

**Questioned costs:** None

**Cause:** Some of the rates were approved verbally with no documentation of the approved rate. Other pay was not approved in accordance with the County's payroll processes and controls.

**Effect:** Noncompliance could lead to impact on future funding for the County.

**Repeat finding:** No

**Recommendation:** CLA recommends that the County maintain all supporting documentation of the approved payrates for all payroll disbursements charged to the grant.

**Views of responsible officials:** Approved methodologies for all types of grants and proper documentation shall be copied and maintained with all reports submitted to the grantor for the appropriate record retention requirement.



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