

COMMENTS ON KEY FINDINGS IN THE SINGLE AUDIT REPORT RELATED TO DAFS.

INTEGRITY OF COMPUTER SYSTEMS

¹Five findings of “Confidential²” nature attributed at least in part to DAFS:

Finding # ³	Comment	PY findings
2018-044	A lack of or insufficient presence of a Disaster Recovery Plan in regard to the computerized client eligibility system.	E-126 PY Findings FY 16,17
2018-045	Insufficient controls related to security and access over certain computer housing services systems.	E-129 PY Findings FY14-17
2018-004	A lack of or insufficient internal controls over access to new education ontology.	E-35 PY Finding FY 17
2018-51	A lack of or insufficient internal controls over (RSA) secured ID credentials assigned by OIT to employees and contractors	E-143 PY finding 2017
2018-055	Insufficient oversight and/or lack of procedures for computerized state applications and services. Data at risk. Needs a formal IT risk assessment. (multiple vulnerabilities)	E-152

SUBRECIPIENT MONITORING

The common theme noted in the fiscal year 2018 Single Audit Report was the lack of subrecipient monitoring. Federal regulations require that a pass-through entity, ie. the State of Maine, must ensure that subrecipient awards identify the award and applicable requirements, evaluate the subrecipients risk of noncompliance, monitor activities and ensure accountability of for-profit subrecipients.⁴

Based on the Federal standards indicated above, Maine audit issues identified for fiscal year 2018 include:

1. Not properly identifying a subrecipient award relationship
2. Not updating subrecipient contracts
3. Not ensuring subrecipient contract specifications were consistent with program regulations
4. Not evaluating each subrecipient’s risk of non-compliance
5. A lack of during-the-award monitoring such as:
 - a. Reviewing subrecipient cash management
 - b. Reviewing the allowability of subrecipient expenditures
 - c. Performing site visits
 - d. Maintaining documentation of subrecipient monitoring

¹ Presentation to the State and Local Government Committee, Wednesday May 15, 2019

² Using standards consistent with the United States Government Auditing Standards (Yellow Book)

³ State of Maine – Single Audit Report 2018

⁴ Federal government’s Uniform Guidance (2 CFR 200) regarding subrecipient monitoring.