



COMMONWEALTH OF PENNSYLVANIA

SINGLE AUDIT REPORT

For the Fiscal Year Ended June 30, 2025

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Commonwealth of Pennsylvania
Single Audit Report
For the Fiscal Year Ended June 30, 2025

Josh Shapiro, Governor



Prepared By:
Office of the Budget

Zachary Reber
Secretary

Brenda Warburton
Executive Deputy Secretary

John Kaschak
Deputy Secretary for Comptroller Operations

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**Commonwealth of Pennsylvania
Single Audit Report
For the Fiscal Year Ended June 30, 2025**

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COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR

ZACHARY REBER
SECRETARY
GOVERNOR'S OFFICE OF THE BUDGET

March 18, 2026

To the United States Department of Health and Human Services:

We are pleased to submit the Commonwealth of Pennsylvania's (Commonwealth) Single Audit Report for the fiscal year ended June 30, 2025. This audit has been performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States, and satisfies the requirements of the Single Audit Act Amendments of 1996 and the provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The Commonwealth's Annual Comprehensive Financial Report for the year ended June 30, 2025 has been issued under separate cover. The auditors' report on the supplementary schedule of expenditures of federal awards, and the reports on compliance and internal control over financial reporting and compliance with requirements related to major federal programs are contained in this document.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying Schedule of Expenditures of Federal Awards reflects \$48.5 billion of federal expenditures by the Commonwealth during the fiscal year ended June 30, 2025. Most of the federal expenditures occurred in fifteen state agencies, as follows:

<u>AGENCY NAME</u>	<u>FEDERAL EXPENDITURES</u> <u>(in thousands)</u>
Human Services	\$36,028,563
Education	3,930,795
Labor & Industry	2,739,328
Transportation	2,600,162
Health	669,605
Emergency Management Agency	589,371
Agriculture	281,349
Executive Offices	244,857
Community & Economic Development	241,029
Military & Veterans Affairs	197,849
PENNVEST	197,034
Environmental Protection	169,094
Drug and Alcohol Programs	157,068
Insurance	134,262
Corrections	109,181
Subtotal	<u>\$48,289,547</u>
Other Agencies (16)	246,423
Grand Total	<u>\$48,535,970</u>

For purposes of the Commonwealth's single audit, a Type A federal program is any program with federal expenditures of at least \$72.8 million. Of the \$48.5 billion expended, 75 percent, or \$36.3 billion, represents expenditures under federal programs audited as major programs. The Summary of Auditors' Results lists the Commonwealth's 14 major federal programs tested for the fiscal year ended June 30, 2025.

FINDINGS AND RECOMMENDATIONS - CURRENT YEAR

The accompanying report for the fiscal year ended June 30, 2025 contains various findings, as disclosed in the Schedule of Findings and Questioned Costs. The findings pertaining to the audit of the Commonwealth's basic financial statements are detailed in the Basic Financial Statement Findings. Findings pertaining to the audit of the Commonwealth's federal programs are detailed in the Federal Award Findings and Questioned Costs. The findings contain detailed explanations of the compliance issues, questioned costs, the auditors' recommendations, and the agency responses. This report also includes the Commonwealth's corrective action plan for each finding.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The Summary Schedule of Prior Audit Findings reflects the current status of prior year findings. The status of those findings is described from single audits between the years ended June 30, 2023 through June 30, 2024.

INDEPENDENT AUDIT

The Commonwealth's June 30, 2025 single audit and basic financial statement audit were performed jointly by the Department of the Auditor General and the independent public accounting firm of CliftonLarsonAllen LLP. The audits were performed pursuant to the authority vested in the Auditor General and the Governor under Section 402 of the Fiscal Code of 1929, and in the Governor under Section 701 of the Administrative Code of 1929.

REPORTS OF OTHER INDEPENDENT AUDITORS

Other auditors performed the single audits of the Pennsylvania Higher Education Assistance Agency, the Pennsylvania Housing Finance Agency, the State System of Higher Education (component units of the Commonwealth), the Philadelphia Regional Port Authority, the Commonwealth Financing Authority (blended component units of the Commonwealth), and the Judicial Department of Pennsylvania (part of the primary government). Federal programs administered by these agencies are not included in the Commonwealth's Schedule of Expenditures of Federal Awards. These agencies have sent their single audit reports directly to the Federal Audit Clearinghouse for distribution to the appropriate federal agencies.

ACKNOWLEDGMENTS

We wish to express our appreciation to the staff of the various Commonwealth agencies whose time and dedicated effort made this audit possible and, at the same time, to affirm our commitment to maintaining the highest standards of accountability in the Commonwealth's management of federal awards.

Sincerely,



Zachary Reber
Secretary of the Budget

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Independent Auditors' Reports



Commonwealth of Pennsylvania



Department of the Auditor General
 Commonwealth of Pennsylvania
 Harrisburg, Pennsylvania 17120-0018



CliftonLarsonAllen LLP
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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**

The Honorable Joshua D. Shapiro, Governor
 Commonwealth of Pennsylvania
 Harrisburg, Pennsylvania

We have jointly 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Commonwealth of Pennsylvania (the Commonwealth), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commonwealth's basic financial statements, and have issued our report thereon dated December 18, 2025. Our report includes a reference to other auditors, including CliftonLarsonAllen LLP and the Commonwealth of Pennsylvania's Department of the Auditor General acting separately, who audited the financial statements of certain funds and component units of the Commonwealth, which represent the indicated percent of assets and deferred outflows of resources and revenues or additions as presented in the table below and described in our report of the Commonwealth's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Opinion Unit	Entity	Percent of Opinion Unit's Total	
		Assets / Deferred Outflow of Resources	Revenues / Additions
Business-Type Activities	Tuition Payment Fund; State Stores Fund; Commonwealth Financing Authority; Philadelphia Regional Port Authority	57%	31%
Major Proprietary Fund	Tuition Payment Fund	100%	100%
Major Proprietary Fund	State Stores Fund	100%	100%
Major Proprietary Fund	Commonwealth Financing Authority	100%	100%

Opinion Unit	Entity	Percent of Opinion Unit's Total	
		Assets / Deferred Outflow of Resources	Revenues / Additions
Aggregate Discretely Presented Component Units	Pennsylvania Turnpike Commission; Pennsylvania Housing Finance Agency; Pennsylvania Higher Education Assistance Agency; Pennsylvania Infrastructure Investment Authority; State System of Higher Education; State Public School Building Authority; Philadelphia Shipyard Development Corporation; Port of Pittsburgh Commission; Pennsylvania Convention Center Authority; Thaddeus Stevens College of Technology; Pennsylvania Higher Educational Facilities Authority, Pennsylvania Health Insurance Exchange Authority	98%	99%
Aggregate Remaining Fund Information	Philadelphia Regional Port Authority; State Employees' Retirement System; Deferred Compensation Fund; Public School Employees' Retirement System; Tuition Account Investment Program; INVEST Program	89%	67%

The financial statements of the State System of Higher Education, State Employees' Retirement System, the Deferred Compensation Fund, the Public School Employees' Retirement System, the Pennsylvania Higher Education Assistance Agency, the Pennsylvania Higher Educational Facilities Authority, the State Public School Building Authority, the Port of Pittsburgh Commission, the Pennsylvania Turnpike Commission and the Philadelphia Regional Port Authority were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commonwealth's 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 the Commonwealth's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commonwealth's 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.

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

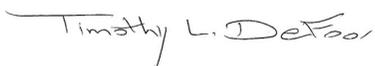
As part of obtaining reasonable assurance about whether the Commonwealth's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2025-002.

The Commonwealth's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Commonwealth's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Commonwealth's response was 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.



Harrisburg, Pennsylvania
December 18, 2025



Baltimore, Maryland
December 18, 2025



Department of the Auditor General
 Commonwealth of Pennsylvania
 Harrisburg, Pennsylvania 17120-0018



CliftonLarsonAllen LLP
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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

The Honorable Joshua D. Shapiro, Governor
 Commonwealth of Pennsylvania
 Harrisburg, Pennsylvania

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have jointly audited the Commonwealth of Pennsylvania’s (Commonwealth) 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 the Commonwealth’s major federal programs for the year ended June 30, 2025. The Commonwealth’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

Summary of Opinions

Major Federal Program/Cluster	Type of Opinion
Supplemental Nutrition Assistance Program (SNAP) Cluster	Qualified
Food Distribution Cluster	Qualified
Abandoned Mine Land Reclamation (AMLR)	Qualified
Clean Water State Revolving Fund	Qualified
Education Stabilization Fund	Qualified
Aging Cluster	Qualified
Temporary Assistance for Needy Families	Qualified
Social Services Block Grant	Qualified
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Qualified

Major Federal Program/Cluster	Type of Opinion
Summer Electronic Benefit Transfer Program for Children	Unmodified
Veterans State Nursing Home Care	Unmodified
Supporting Effective Instruction State Grants	Unmodified
Student Support and Academic Enrichment Program	Unmodified
Medicaid Cluster	Unmodified

Qualified Opinion on the 9 Major Federal Programs Identified in the Preceding Table

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Commonwealth complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the identified major programs for the year ended June 30, 2025.

Unmodified Opinion on Each of the Other Major Federal Programs Identified in the Preceding Table

In our opinion, the Commonwealth 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 other major federal programs identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2025.

Basis for Qualified and Unmodified Opinions

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 the Commonwealth 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the Commonwealth’s compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on the 9 Major Federal Programs Identified in the Following Table

As described in the accompanying schedule of findings and questioned costs, the Commonwealth did not comply with the requirements regarding the following:

State Administering Agency	Finding Number	Assistance Listing Number (C = COVID-19)	Federal Program/Cluster	Compliance Requirement
Department of Aging	2025-003	93.044 – C 93.045 – C 93.053	Aging Cluster	Subrecipient Monitoring
Department of Aging	2025-004	93.044 – C 93.045 – C 93.053	Aging Cluster	Matching, Level of Effort, Earmarking and Reporting
Various Agencies	2025-005	93.044 – C 93.045 – C 93.053	Aging Cluster	Program Income and Reporting
Department of Human Services	2025-007	10.551 10.561 – C	Supplemental Nutrition Assistance Program (SNAP) Cluster	Special Tests and Provisions related to EBT Card Security
		93.558	Temporary Assistance for Needy Families	
Department of Human Services	2025-008	93.667	Social Services Block Grant	Cash Management and Subrecipient Monitoring
Office of the Budget – Office of Comptroller Operations	2025-012	15.252	Abandoned Mine Land Reclamation (AMLR)	Reporting
		93.044 – C 93.045 – C 93.053	Aging Cluster	
		93.558	Temporary Assistance for Needy Families	
		93.667	Social Services Block Grant	
		97.036 – C	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	

State Administering Agency	Finding Number	Assistance Listing Number (C = COVID-19)	Federal Program/Cluster	Compliance Requirement
Various Agencies	2025-014	10.565 10.568 10.569	Food Distribution Cluster	Subrecipient Monitoring
		66.458	Clean Water State Revolving Fund	
		84.425 – C C, D, R, U, V, W	Education Stabilization Fund	
		93.044 – C 93.045 – C 93.053	Aging Cluster	

Compliance with such requirements is necessary, in our opinion, for the Commonwealth to comply with the requirements applicable to that program.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The Commonwealth’s basic financial statements include the operations of the State System of Higher Education, the Pennsylvania Higher Education Assistance Agency, the Pennsylvania Housing Finance Agency, the Philadelphia Regional Port Authority, the Commonwealth Financing Authority, and the Judicial Department of Pennsylvania, which received approximately \$3.4 billion in federal awards and \$7.2 billion of federal loan guarantees that are not included in the schedule of expenditures of federal awards for the year ended June 30, 2025. Our audit, described below, did not include the operations of these six entities because other auditors were engaged to perform audits (when required) in accordance with the Uniform Guidance.

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 the Commonwealth’s 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 the Commonwealth’s 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 the Commonwealth’s 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 the Commonwealth’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commonwealth’s 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 the Commonwealth’s 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 other 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. Our opinion on each major federal program is not modified with respect to these matters.

State Administering Agency	Finding Number	Assistance Listing Number (C = COVID-19)	Federal Program/Cluster	Compliance Requirement
Department of Agriculture	2025-006	10.565 10.568 10.569	Food Distribution Cluster	Subrecipient Monitoring
Department of Labor and Industry	2025-009	93.558	Temporary Assistance for Needy Families	Subrecipient Monitoring
Various Agencies	2025-013	10.565 10.568 10.569	Food Distribution Cluster	Subrecipient Monitoring
		93.044 – C 93.045 – C 93.053	Aging Cluster	

Government Auditing Standards requires the auditor to perform limited procedures on the Commonwealth's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Commonwealth'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

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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-003, 2025-004, 2025-005, 2025-007, 2025-008, 2025-012, and 2025-014 to be material weaknesses.

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 2025-006, 2025-009, 2025-010, 2025-011, and 2025-013 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 the Commonwealth's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Commonwealth'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.

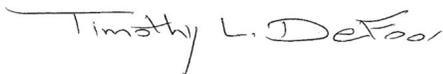
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have jointly audited the financial statements, issued under separate cover, of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Commonwealth as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commonwealth's basic financial statements. We have issued our report thereon dated December 18, 2025, which includes a reference to other auditors and contained unmodified opinions on those financial statements.

The Honorable Joshua D. Shapiro, Governor
Commonwealth of Pennsylvania

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 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 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 financial statements or to the 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 financial statements as a whole.



Harrisburg, Pennsylvania
March 18, 2026



Baltimore, Maryland
March 18, 2026

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Schedule of Expenditures of Federal Awards



Commonwealth of Pennsylvania

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2025

Assistance Listing #	Assistance Listing Program Name		Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
U.S. Department of Agriculture				
	<i>SNAP Cluster:</i>			
10.551	Supplemental Nutrition Assistance Program		4,301,887	
10.561	State Admin Matching Grants for Supplemental Nutrition Assistance Program	264,988		31,807
10.561	COVID-19 - State Admin Matching Grants for Supplemental Nutrition Assistance Program	1,204		251
	Total State Admin Matching Grants for Supplemental Nutrition Assistance Program		266,192	
	Total SNAP Cluster			4,568,079
	<i>Child Nutrition Cluster:</i>			
10.553	School Breakfast Program		205,696	205,415
10.555	National School Lunch Program (Cash Assistance)	558,371		557,863
10.555	National School Lunch Program (Food Commodities)	71,798		71,798
	Total National School Lunch Program		630,169	
10.556	Special Milk Program for Children		166	166
10.559	Summer Food Service Program for Children (Cash Assistance)	15,197		15,084
10.559	Summer Food Service Program for Children (Food Commodities)	47		47
	Total Summer Food Service Program for Children		15,244	
10.582	Fresh Fruit and Vegetable Program		6,731	6,731
	Total Child Nutrition Cluster			858,006
	<i>Food Distribution Cluster:</i>			
10.565	Commodity Supplemental Food Program (Cash Assistance)	5,432		5,425
10.565	Commodity Supplemental Food Program (Food Commodities)	15,196		15,196
	Total Commodity Supplemental Food Program		20,628	
10.568	Emergency Food Assistance Program (Administrative Costs)		8,757	4,762
10.569	Emergency Food Assistance Program (Food Commodities)		67,241	67,241
	Total Food Distribution Cluster			96,626
	<i>Schools and Roads Cluster:</i>			
10.665	Schools and Roads - Grants to States			2,305
10.025	Plant and Animal Disease, Pest Control, and Animal Care		10,723	845
	Passed through: Colorado State University			
10.025	Plant and Animal Disease, Pest Control, and Animal Care (Award ID G5034641)		302	
	Total Plant and Animal Disease, Pest Control, and Animal Care			11,025
10.153	Market News			74
10.170	Specialty Crop Block Grant Program - Farm Bill		883	723
10.170	COVID-19 - Specialty Crop Block Grant Program - Farm Bill		279	279
	Total Specialty Crop Block Grant Program - Farm Bill			1,162
10.171	Organic Certification Cost Share Programs			311
10.174	Acer Access Development Program			224
10.182	COVID-19 - Pandemic Relief Activities: Local Food Purchase Agreements w/ States, Tribes, & Local Governments			11,781
10.185	Local Food for Schools Cooperative Agreement Program			(313)

COMMONWEALTH OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards - June 30, 2025

Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
10.187	The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds	2,398	2,398
10.190	COVID-19 - Resilient Food System Infrastructure Program	426	
10.525	Farm and Ranch Stress Assistance Network Competitive Grants Program	20	
10.541	Child Nutrition- Technology Innovation Grant	507	
10.542	COVID-19 - Pandemic EBT Food Benefits	1,093	
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	222,377	53,978
10.557	COVID-19 - WIC Special Supplemental Nutrition Program for Women, Infants, and Children	30	
	Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children	222,407	
10.558	Child and Adult Care Food Program (Cash Assistance)	134,792	134,115
10.558	Child and Adult Care Food Program (Food Commodities)	112	112
	Total Child and Adult Care Food Program	134,904	
10.560	State Administrative Expenses for Child Nutrition	13,145	
10.572	WIC Farmers' Market Nutrition Program (FMNP)	2,468	242
10.575	Farm to School Grant Program	67	
10.576	Senior Farmers Market Nutrition Program	1,536	
10.576	COVID-19 - Senior Farmers Market Nutrition Program	4,458	
	Total Senior Farmers Market Nutrition Program	5,994	
10.578	WIC Grants to States (WGS)	1,278	1,278
10.579	Child Nutrition Discretionary Grants Limited Availability	1,841	981
10.645	COVID-19 - Farm to School State Formula Grant	151	
10.646	Summer Electronic Benefit Transfer Program for Children	120,081	
10.649	COVID-19 - Pandemic EBT Administrative Costs	94	
10.664	Cooperative Forestry Assistance	170	
10.674	Wood Utilization Assistance	67	
10.675	Urban and Community Forestry Program	135	89
10.678	Forest Stewardship Program	210	
10.680	Forest Health Protection	346	
10.691	Good Neighbor Authority	158	
10.698	State & Private Forestry Cooperative Fire Assistance	1,302	425
10.727	Inflation Reduction Act Urban & Community Forestry Program	2,693	2,693
10.931	Agricultural Conservation Easement Program	372	
10.932	Regional Conservation Partnership Program	691	
	Total - U.S. Department of Agriculture	\$6,062,298	\$1,193,680
	U.S. Department of Commerce		
	<i>Economic Development Cluster:</i>		
11.307	COVID-19 - Economic Adjustment Assistance	4,153	
11.032	State Digital Equity Planning and Capacity Grant	(65)	
11.035	Broadband Equity, Access, and Deployment Program	2,218	
11.419	Coastal Zone Management Administration Awards	2,025	830
11.473	Office for Coastal Management	14	
11.474	Atlantic Coastal Fisheries Cooperative Management Act	158	
	Total - U.S. Department of Commerce	\$8,503	\$830

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Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
U.S. Department of Defense			
12.112	Payments to States in Lieu of Real Estate Taxes		136
12.400	Military Construction, National Guard		6,640
12.401	National Guard Military Operations and Maintenance (O&M) Projects		87,099
12.404	National Guard Challenge Program		4,343
Total - U.S. Department of Defense		\$98,218	\$136
U.S. Department of Housing and Urban Development			
<i>CDBG - Entitlement/Special Purpose Grants Cluster:</i>			
14.218	Community Development Block Grants/Entitlement Grants		40
<i>CDBG - Disaster Recovery Grants Cluster:</i>			
14.269	Hurricane Sandy Community Development Block Grant Disaster Recovery Grants		128
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	39,148	37,652
14.228	COVID-19 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	16,676	16,343
<i>Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii</i>			55,824
14.231	Emergency Solutions Grant Program	6,946	6,550
14.231	COVID-19 - Emergency Solutions Grant Program	(4)	(4)
<i>Total Emergency Solutions Grant Program</i>			6,942
14.239	Home Investment Partnerships Program	9,406	8,137
14.239	COVID-19 - Home Investment Partnerships Program	361	
<i>Total Home Investment Partnerships Program</i>			9,767
14.241	Housing Opportunities for Persons with AIDS		2,373
14.267	Continuum of Care Program		1,804
14.401	Fair Housing Assistance Program - State and Local		1,173
14.900	Lead Hazard Reduction Grant Program		670
Total - U.S. Department of Housing and Urban Development		\$78,721	\$71,762
U.S. Department of the Interior			
<i>Fish and Wildlife Cluster:</i>			
15.605	Sport Fish Restoration Program	10,866	
15.611	Wildlife Restoration and Basic Hunter Education and Safety	27,001	
<i>Total Fish and Wildlife Cluster</i>			37,867
15.018	Energy Community Revitalization Program (ECRP)		6,873
15.073	Earth Mapping Resources Initiative		8
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining		11,045
15.252	Abandoned Mine Land Reclamation (AMLR)		72,457
15.608	Fish and Wildlife Management Assistance		167
15.615	Cooperative Endangered Species Conservation Fund		92

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Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
15.616	Clean Vessel Act	25	
15.634	State Wildlife Grants	1,783	
15.657	Endangered Species Recovery Implementation	42	
15.667	Highlands Conservation	1,687	1,524
15.808	U.S. Geological Survey Research and Data Collection	19	
15.810	National Cooperative Geologic Mapping	257	
15.814	National Geological and Geophysical Data Preservation	11	
15.904	Historic Preservation Fund Grants-In-Aid	1,677	162
15.916	Outdoor Recreation Acquisition, Development and Planning	13,261	13,125
15.928	Battlefield Land Acquisition Grants	506	506
15.930	Chesapeake Bay Gateways Network	64	8
Total - U.S. Department of the Interior		\$147,841	\$24,130
U.S. Department of Justice			
16.004	Law Enforcement Assistance Narcotics and Dangerous Drugs Training	654	
16.017	Sexual Assault Services Formula Program	1,637	1,637
16.036	Comprehensive Forensic DNA Analysis Grant Program	329	
16.540	Juvenile Justice and Delinquency Prevention	907	624
16.550	State Justice Statistics Program for Statistic Analysis Centers	167	
16.554	National Criminal History Improvement Program (NCHIP)	1,270	
16.575	Crime Victim Assistance	61,242	57,602
16.576	Crime Victim Compensation	6,343	
16.582	Crime Victim Assistance/Discretionary Grants	(1)	(1)
16.588	Violence Against Women Formula Grants	5,262	4,715
16.593	Residential Substance Abuse Treatment for State Prisoners	893	584
16.606	State Criminal Alien Assistance Program	1,570	
16.609	Project Safe Neighborhoods	503	176
16.710	Public Safety Partnership and Community Policing Grants	5,214	
16.735	PREA Program: Strategic Support for PREA Implementation	127	
16.738	Edward Byrne Memorial Justice Assistance Grant Program	8,421	6,819
16.741	DNA Backlog Reduction Program	1,060	
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	742	483
16.750	Support for Adam Walsh Act Implementation Grant Program	189	
16.752	Economic, High-Tech, and Cyber Crime Prevention	137	
16.754	Harold Rogers Prescription Drug Monitoring Program	716	
16.812	Second Chance Act Reentry Initiative	892	327
16.813	NICS Act Record Improvement Program	722	
16.816	John R. Justice Prosecutors and Defenders Incentive Act	170	
16.827	Justice Reinvestment Initiative	202	202
16.831	Children of Incarcerated Parents	55	
16.835	Body Worn Camera Policy and Implementation	345	107
16.838	Comprehensive Opioid, Stimulant, and other Substances Use Program	2,693	2,693
16.922	Equitable Sharing Program	1,387	
Total - U.S. Department of Justice		\$103,848	\$75,968

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Assistance Listing #	Assistance Listing Program Name		Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
U.S. Department of Labor				
<i>Employment Service Cluster:</i>				
17.207	Employment Service/Wagner-Peyser Funded Activities		25,492	
17.801	Jobs for Veterans State Grants		7,593	
	<i>Total Employment Service Cluster</i>			33,085
<i>WIOA Cluster:</i>				
17.258	WIOA Adult Program		38,347	36,174
17.259	WIOA Youth Activities		43,476	40,676
17.278	WIOA Dislocated Worker Formula Grants		51,221	45,477
	<i>Total WIOA Cluster</i>			133,044
17.002	Labor Force Statistics			2,485
17.005	Compensation and Working Conditions			295
17.225	Unemployment Insurance		2,207,816	237
17.225	COVID-19 - Unemployment Insurance		(11,254)	1,146
	<i>Total Unemployment Insurance</i>			2,196,562
17.235	Senior Community Service Employment Program			3,254
17.245	Trade Adjustment Assistance			1,432
17.261	Workforce Data Quality Initiative (WDQI)			1,207
17.270	Reentry Employment Opportunities			879
17.271	Work Opportunity Tax Credit Program (WOTC)			503
17.273	Temporary Labor Certification for Foreign Workers			644
17.277	WIOA National Dislocated Worker Grants / WIA National Emergency Grants			982
17.285	Registered Apprenticeship			2,668
17.600	Mine Health and Safety Grants			704
	Total - U.S. Department of Labor			\$2,377,744
				\$129,292
U.S. Department of Transportation				
<i>Federal Motor Carrier Safety Assistance Cluster:</i>				
20.218	Motor Carrier Safety Assistance			15,802
<i>Federal Transit Cluster:</i>				
20.500	Federal Transit Capital Investment Grants		1,060	247
20.507	Federal Transit Formula Grants	2,124		
20.507	COVID-19 - Federal Transit Formula Grants	2,805		2,805
	<i>Total Federal Transit Formula Grants</i>		4,929	
20.525	State of Good Repair Grants Program		20,209	10,599
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Program		1,438	890
	<i>Total Federal Transit Cluster</i>			27,636

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Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
<i>Transit Services Programs Cluster:</i>			
20.513	Enhanced Mobility of Seniors & Individuals with Disabilities	10,055	9,917
20.513	COVID-19 - Enhanced Mobility of Seniors & Individuals with Disabilities	1,686	1,686
	Total Enhanced Mobility of Seniors & Individuals with Disabilities		11,741
<i>Highway Safety Cluster:</i>			
20.600	State and Community Highway Safety	12,856	7,154
20.616	National Priority Safety Programs	13,326	6,687
	Total Highway Safety Cluster		26,182
20.106	Airport Improvement Program, and Infrastructure Investment and Jobs Act Programs	15,072	14,821
20.106	COVID-19 - Airport Improvement Program, and Infrastructure Investment and Jobs Act Programs	99	99
	Total Airport Improvement Program, and Infrastructure Investment and Jobs Act Programs		15,171
20.200	Highway Research and Development Program		1,728
20.205	Highway Planning and Construction		2,402,375
20.215	Highway Training and Education		44
20.219	Recreational Trails Program		1,843
20.224	Federal Lands Access Program		522
20.232	Commercial Driver's License Program Implementation Grant		493
20.325	Consolidated Rail Infrastructure and Safety Improvements		379
20.326	Federal-State Partnership for Intercity Passenger Rail		244
20.327	Railroad Crossing Elimination		10
20.505	Metropolitan Trans Planning & State & Non-Metropolitan Planning & Research		6,128
20.509	Formula Grants for Rural Areas and Tribal Transit Program	25,552	25,552
20.509	COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	2,279	2,279
	Total Formula Grants for Rural Areas and Tribal Transit Program		27,831
20.528	Rail Fixed Guideway Public Trans. System State Safety Oversight Form. Grant Program		3,026
20.614	National Highway Traffic Safety Admin Discretionary Safety Grants & Cooperative Agreements		79
20.700	Pipeline Safety Program State Base Grant		3,820
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants		709
20.725	PHMSA Pipeline Safety Underground Natural Gas Storage Grant		35
20.933	National Infrastructure Investments		19,077
20.934	Nationally Significant Freight and Highway Projects		2,776
20.938	Rural Surface Transportation Grant Program		41,460
20.941	Strengthening Mobility and Revolutionizing Transportation (SMART) Grants Program		181
Total - U.S. Department of Transportation		\$2,609,292	\$270,157
U.S. Department of the Treasury			
21.016	Equitable Sharing	1,700	
21.019	COVID-19 - Coronavirus Relief Fund	(231)	(1)
21.023	COVID-19 - Emergency Rental Assistance Program	9,891	9,540
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	309,598	204,063
21.029	COVID-19 - Coronavirus Capital Projects Fund	27,663	6,187
Total - U.S. Department of the Treasury		\$348,621	\$219,789

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Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
Appalachian Regional Commission			
23.001	Appalachian Regional Development	238	
23.002	Appalachian Area Development	3,976	3,492
23.003	Appalachian Development Highway System	21,425	235
Total - Appalachian Regional Commission		\$25,639	\$3,727
Equal Employment Opportunity Commission			
30.001	Employment Discrimination Title VII of the Civil Rights Act of 1964	1,162	
Total - Equal Employment Opportunity Commission		\$1,162	\$0
General Services Administration			
39.003	Donation of Federal Surplus Personal Property	273	273
Total - General Services Administration		\$273	\$273
National Foundation on the Arts and Humanities			
45.025	Promotion of the Arts - Partnership Agreements	1,313	
45.130	Promotion of the Humanities Challenge Grants	4	
45.310	Grants to States	6,748	3,802
Total - National Foundation on the Arts and Humanities		\$8,065	\$3,802
Small Business Administration			
59.061	State Trade Expansion	592	
Total - Small Business Administration		\$592	\$0
U.S. Department of Veterans Affairs			
64.010	Veterans Nursing Home Care	100	
64.014	Veterans State Domiciliary Care	2,854	
64.015	Veterans State Nursing Home Care	57,310	
64.057	Suicide Mortality Review Cooperative Agreements	94	
64.111	Veterans Education Assistance	1,269	
Total - U.S. Department of Veterans Affairs		\$61,627	\$0
Environmental Protection Agency			
66.001	Air Pollution Control Program Support	4,832	
66.032	State Indoor Radon Grants	421	
66.034	Surveys, Studies, Research, Investigations, Demos & Special Purpose Activities - Clean Air Act	540	
66.034	COVID-19 - Surveys, Studies, Research, Investigations, Demos & Special Purpose Activities - Clean Air Act	315	224
Total Surveys, Studies, Research, Investigations, Demos & Special Purpose Activities - Clean Air Act		855	

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Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
66.040	Diesel Emissions Reduction Act (DERA) State Grants	593	593
66.046	Climate Pollution Reduction Grants	5,651	5,179
66.204	Multipurpose Grants to States and Tribes	61	
66.312	Environmental Justice Government-to-Government (EJG2G) Program	500	500
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	6,750	
66.432	State Public Water System Supervision	5,011	
66.442	Water Infrastructure Improvements for the Nation SUDC Emerging Contaminants Grant Program	810	23
66.444	Voluntary School and Child Care Lead Testing and Reduction Grant Program (SDWA 1464(d))	50	
66.447	Sewer Overflow and Stormwater Reuse Municipal Grant Program	678	678
66.454	Water Quality Management Planning	1,358	571
66.458	Clean Water State Revolving Fund	68,952	68,952
66.460	Nonpoint Source Implementation Grants	4,752	3,187
66.461	Regional Wetland Program Development Grants	190	
66.466	Geographic Programs - Chesapeake Bay Program	549	
66.468	Drinking Water State Revolving Fund	136,463	123,933
66.469	Geographic Programs - Great Lakes Restoration Initiative	194	
66.605	Performance Partnership Grants	1,224	29
66.608	Environmental Information Exchange Network Grant Program	108	
66.801	Hazardous Waste Management State Program Support	4,532	
66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	588	
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	1,702	
66.817	State and Tribal Response Program Grants	1,045	
66.818	Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	1,000	1,000
66.920	Solid Waste Infrastructure for Recycling Infrastructure Grants	98	77
66.964	Geographic Programs - Chesapeake Bay Program Implementation, Regulatory/Accountability and Monitoring Grants	14,924	12,356
Total - Environmental Protection Agency		\$263,891	\$217,302
U.S. Department of Energy			
81.041	State Energy Program	9,212	3,900
81.042	Weatherization Assistance for Low-Income Persons	38,420	35,257
81.086	Conservation Research and Development	332	
81.089	Fossil Energy Research and Development	759	
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	111	
81.128	Energy Efficiency and Conservation Block Grant Program (EECBG)	675	552
81.138	State Heating Oil & Propane Program	7	
81.253	Manufacturing and Energy Supply Chain Demonstrations and Commercial Applications	309	309
81.254	Grid Infrastructure Deployment and Resilience	81	
Total - U.S. Department of Energy		\$49,906	\$40,018

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Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
U.S. Department of Education			
	<i>Special Education Cluster (IDEA):</i>		
84.027	Special Education Grants to States	546,489	531,761
84.173	Special Education Preschool Grants	14,615	13,831
	<i>Total Special Education Cluster (IDEA)</i>		561,104
	<i>TRIO Cluster:</i>		
84.042	TRIO Student Support Services		10
	<i>Student Financial Assistance Programs Cluster:</i>		
84.007	Federal Supplemental Educational Opportunity Grants	9	
84.033	Federal Work-Study Program	4	
84.063	Federal Pell Grant Program	4,374	
84.268	Federal Direct Student Loans	3,914	
	<i>Total Student Financial Assistance Programs Cluster</i>		8,301
84.002	Adult Education - Basic Grants to States		23,672
84.010	Title I Grants to Local Educational Agencies		765,411
84.011	Migrant Education - State Grant Program		7,159
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth		1,418
84.048	Career and Technical Education - Basic Grants to States		46,444
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States		181,218
84.144	Migrant Education - Coordination Program		45
84.177	Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind		973
84.181	Special Education - Grants for Infants and Families		25,986
84.184	School Safely National Activities		135
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities		648
84.196	Education for Homeless Children and Youth		4,607
84.206	Javits Gifted and Talented Students Education		526
84.287	Twenty-First Century Community Learning Centers		39,181
84.323	Special Education - State Personnel Development		1,951
84.358	Rural Education		765
84.365	English Language Acquisition State Grants		16,625
84.367	Supporting Effective Instruction State Grants		72,080
84.369	Grants for State Assessments and Related Activities		9,913
84.372	Statewide Longitudinal Data Systems		1,114
84.421	Disability Innovation Fund (DIF)		2,386
84.424	Student Support and Academic Enrichment Program		67,884

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Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
84.425C	COVID-19 - Education Stabilization Fund - GEER Fund	37	37
84.425D	COVID-19 - Education Stabilization Fund - ESSER Fund	28,376	24,899
84.425R	COVID-19 - Education Stabilization Fund - CRRSA EANS Program	8,238	8,228
84.425U	COVID-19 - Education Stabilization Fund - ARP ESSER	1,111,931	1,101,287
84.425V	COVID-19 - Education Stabilization Fund - ARP EANS Program	31,660	31,584
84.425W	COVID-19 - Education Stabilization Fund - ARP ESSER HCY	14,280	14,280
	Total COVID-19 - Education Stabilization Fund		1,194,522
	Total - U.S. Department of Education	\$3,034,078	\$2,761,248
Elections Assistance Commission			
90.404	2018 HAVA Election Security Grants		288
	Total - Elections Assistance Commission	\$1,334	\$288
U.S. Department of Health and Human Services			
	<i>Aging Cluster:</i>		
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supp Svc & Senior Cntrs	25,794	23,564
93.044	COVID-19 - Special Programs for the Aging, Title III, Part B, Grants for Supp Svc & Senior Cntrs	554	(194)
	Total Special Programs for the Aging, Title III, Part B, Grants for Supp Svc & Senior Cntrs		26,348
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	36,525	38,244
93.045	COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	966	435
	Total Special Programs for the Aging, Title III, Part C, Nutrition Services		37,491
93.053	Nutrition Services Incentive Program	4,215	4,215
	Total Aging Cluster		68,054
	<i>CCDF Cluster:</i>		
93.575	Child Care and Development Block Grant	436,597	408,711
93.575	COVID-19 - Child Care and Development Block Grant	34,437	34,437
	Total Child Care and Development Block Grant		471,034
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	139,734	139,324
	Total CCDF Cluster		610,768
	<i>Head Start Cluster:</i>		
93.600	Head Start		2,015
	<i>Medicaid Cluster:</i>		
93.775	State Medicaid Fraud Control Units	9,562	
93.777	State Survey & Cert. of Health Care Providers & Suppliers (Title XVIII) Medicare	17,017	
93.778	Grants to States for Medicaid	28,959,083	405,690
93.778	COVID-19 - Grants to States for Medicaid	(57,687)	
	Total Grants to States for Medicaid	28,901,396	
	Total Medicaid Cluster		28,927,975

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93.008	Medical Reserve Corps Small Grant Program		74
93.041	Special Programs for the Aging - Title VII, Chapter 3, Programs for Prev of Elder Abuse		247
93.042	Special Programs for the Aging - Title VII, Chapter 2, Long Term Care Om. Services	1,206	1,202
93.042	COVID-19 - Special Programs for the Aging - Title VII, Chapter 2, Long Term Care Om. Services	71	71
	Total Special Programs for the Aging - Title VII, Chapter 2, Long Term Care Om. Services		1,277
93.043	Special Programs for the Aging - Title III, Part D, Disease Prevent and Health Promo Serv	816	816
93.043	COVID-19 - Special Programs for the Aging - Title III, Part D, Disease Prevent and Health Promo Serv	(200)	(203)
	Total Special Programs for the Aging - Title III, Part D, Disease Prevent and Health Promo Serv		616
93.048	COVID-19 - Special Programs for the Aging - Title IV and Title II, Discretionary Projects		(11)
93.052	National Family Caregiver Support, Title III, Part E	6,710	6,710
93.052	COVID-19 - National Family Caregiver Support, Title III, Part E	(283)	(291)
	Total National Family Caregiver Support, Title III, Part E		6,427
93.069	Public Health Emergency Preparedness		18,776
93.070	Environmental Public Health and Emergency Response		1,417
93.071	Medicare Enrollment Assistance Program		1,470
93.079	Cooperative Agreements to Promote Adolescent Health		56
93.090	Guardianship Assistance	16,469	15,433
93.090	COVID-19 - Guardianship Assistance	53	53
	Total Guardianship Assistance		16,522
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program		1,223
93.103	Food and Drug Administration - Research		2,328
93.104	Community Mental Health Services for Children with Serious Emotional Disturbances		3,788
93.110	Maternal and Child Health Federal Consolidated Programs		459
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs		1,115
93.127	Emergency Medical Services for Children		157
93.130	Coop. Agreements to States/Territories for the Coordination & Dev. of Primary Care Offices		255
93.136	Injury Prevention & Control Research & State & Community Based Programs		6,463
93.150	Projects for Assistance in Transition from Homelessness (PATH)		2,412
93.165	Grants to States for Loan Repayment		553
93.197	Childhood Lead Poisoning Prevention Projects, St and Lcl Childhood Lead Poising Prev		561
93.234	Traumatic Brain Injury State Demonstration Grant Program	184	178
93.234	COVID-19 - Traumatic Brain Injury State Demonstration Grant Program	31	31
	Total Traumatic Brain Injury State Demonstration Grant Program		215
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program		1,734
93.236	Grants to States to Support Oral Health Workforce Activities		340
93.240	State Capacity Building		479
93.243	Substance Abuse and Mental Health Services - Projects of Reg. and Nat. Significance		6,955
93.251	Early Hearing Detection and Intervention		172
93.262	Occupational Safety and Health Program		153
93.268	Immunization Cooperative Agreements (Cash Assistance)	12,497	4,167
93.268	COVID-19 - Immunization Cooperative Agreements (Cash Assistance)	21,011	13,237
93.268	Immunization Cooperative Agreements (Vaccines)	131,039	
	Total Immunization Cooperative Agreements		164,547
93.270	Viral Hepatitis Prevention and Control		462

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93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	1,764	182
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	101,699	62,819
	Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		103,463
93.324	State Health Insurance Assistance Program		1,584
93.336	Behavioral Risk Factor Surveillance System		606
93.354	PHER: Cooperative Agreement for Emergency Response: Public Health Crisis Response	609	
93.354	COVID-19 - PHER: Cooperative Agreement for Emergency Response: Public Health Crisis Response	5,261	5,641
	Total PHER: Cooperative Agreement for Emergency Response: Public Health Crisis Response		5,870
93.366	State Actions to Improve Oral Health Outcomes & Partner Actions to Improve Oral Health Outcomes		283
93.369	ACL Independent Living State Grants		387
93.387	National and State Tobacco Control Program		2,461
93.391	COVID-19 - STLT Health Department Response to Public Health Crises		3,670
93.423	1332 State Innovation Waivers		115,438
93.426	Improving the Hlth of Americans through Prev & Mgmt of Diab & HD and Stroke		1,230
93.434	Every Student Succeeds Act/Preschool Development Grants		18,385
93.436	Well-Integrated Screening and Evaluation for Women Across the Nation (WISEWOMAN)		431
93.472	Title IV-E Prevention Program		2,180
93.478	Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees		763
93.497	COVID-19 - Family Violence Prevention and Services/ Sexual Assault/Rape Crisis Services and Supports		1,666
93.499	COVID-19 - Low Income Household Water Assistance Program		(15)
93.556	MaryLee Allen Promoting Safe and Stable Families Program		13,071
93.558	Temporary Assistance for Needy Families		403,374
93.563	Child Support Services		195,104
93.566	Refugee and Entrant Assistance - State/Replacement Designee Administered Programs		36,107
93.568	Low-Income Home Energy Assistance		208,897
93.569	Community Services Block Grant		33,297
93.583	Refugee and Entrant Assistance - Wilson/Fish Program		527
93.590	Community-Based Child Abuse Prevention Grants	1,691	1,655
93.590	COVID-19 - Community-Based Child Abuse Prevention Grants	2,962	2,962
	Total Community-Based Child Abuse Prevention Grants		4,653
93.597	Grants to States for Access and Visitation Programs		236
93.599	Chafee Education and Training Vouchers Program (ETV)		1,890
93.603	Adoption and :Legal Guardianship Incentive Payments		2,318
93.630	Developmental Disabilities Basic Support and Advocacy Grants	3,377	1,931
93.630	COVID-19 - Developmental Disabilities Basic Support and Advocacy Grants	89	
	Total Developmental Disabilities Basic Support and Advocacy Grants		3,466
93.643	Children's Justice Grants to States		678
93.645	Stephanie Tubbs Jones Child Welfare Services Program		9,730
93.658	Foster Care - Title IV-E	191,217	167,361
93.658	COVID-19 - Foster Care - Title IV-E	331	331
	Total Foster Care - Title IV-E		191,548
93.659	Adoption Assistance	166,722	130,675
93.659	COVID-19 - Adoption Assistance	85	85
	Total Adoption Assistance		166,807

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Schedule of Expenditures of Federal Awards - June 30, 2025

Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
93.667	Social Services Block Grant		80,197
93.669	Child Abuse and Neglect State Grants	3,754	1,818
93.669	COVID-19 - Child Abuse and Neglect State Grants	597	41
	Total Child Abuse and Neglect State Grants		4,351
93.671	Family Violence Prevention & Services/Domestic Violence Shelter & Supportive Services	3,868	3,868
93.671	COVID-19 - Family Violence Prevention & Services/Domestic Violence Shelter & Supportive Services	3,691	3,691
	Total Family Violence Prevention & Services/Dom. Violence Shelter & Supportive Services		7,559
93.674	John H. Chafee Foster Care Program for Successful Transition for Adulthood		5,154
93.698	COVID-19 - Elder Justice Act – Adult Protective Services		346
93.734	Empowering Older Adults and Adults with Disabilities (PPHF)		70
93.747	COVID-19 - Elder Abuse Prevention Interventions Program		6,453
93.767	Children's Health Insurance Program	601,919	1,002
93.767	COVID-19 - Children's Health Insurance Program	857	
	Total Children's Health Insurance Program		602,776
93.771	State Grants for the Implementation, Enhancement, & Expansion of Medicaid & CHIP School-Based Services		121
93.788	Opioid STR		91,905
93.791	Money Follows the Person Rebalancing Demonstration	40,711	56,997
93.791	COVID-19 - Money Follows the Person Rebalancing Demonstration	18	3,784
	Total Money Follows the Person Rebalancing Demonstration		40,729
93.796	State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid		4,664
93.810	Paul Coverdell National Acute Stroke Program National Center for Chronic Disease Prevention & Health Promotion		145
93.870	Maternal, Infant & Early Childhood Home Visiting Grant Program	15,280	87
93.870	COVID-19 - Maternal, Infant & Early Childhood Home Visiting Grant Program	1,206	15,049
	Total Maternal, Infant & Early Childhood Home Visiting Grant Program		254
93.876	Antimicrobial Resistance Surveillance in Retail Food Specimens		16,486
93.889	National Bioterrorism Hospital Preparedness Program	7,613	134
93.889	COVID-19 - National Bioterrorism Hospital Preparedness Program	12	
	Total National Bioterrorism Hospital Preparedness Program		7,625
93.898	Cancer Prevention & Control Programs for State, Territorial & Tribal Organizations		4,547
93.917	HIV Care Formula Grants		2,241
93.940	HIV Prevention Activities - Health Department Based		40,590
93.944	Human Immunodeficiency Virus (HIV)/AIDS Surveillance		649
93.946	Cooperative Agreements to Support Safe Motherhood and Infant Health Initiative Program		4,592
93.958	Block Grants for Community Mental Health Services	34,509	436
93.958	COVID-19 - Block Grants for Community Mental Health Services	4,078	405
	Total Block Grants for Community Mental Health Services		32,095
93.959	Block Grants for Prevention and Treatment of Substance Abuse	66,669	3,584
93.959	COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	32,474	
	Total Block Grants for Prevention and Treatment of Substance Abuse		38,587
93.967	COVID-19 - CDC's Collaboration w/ Academia to Strengthen Public Health		54,324
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	2,485	31,306
93.977	COVID-19 - Sexually Transmitted Diseases (STD) Prevention and Control Grants	2,443	
	Total Sexually Transmitted Diseases (STD) Prevention and Control Grants		99,143

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Schedule of Expenditures of Federal Awards - June 30, 2025

Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
93.981	Improving Student Hlth & Acad Achieve through Nutrition	331	156
93.988	Coop Agreements for State-Based Diabetes Control Programs	1,190	582
93.991	Preventive Health and Health Services Block Grant	8,199	5,395
93.994	Maternal and Child Health Services Block Grant to the States	23,881	13,931
93.998	Autism and Other Developmental Disabilities, Surveillance, Research, and Prevention	247	
Total - U.S. Department of Health and Human Services		\$32,503,135	\$2,371,015
Corporation for National and Community Service			
94.003	AmeriCorps State Commissions Support Grant	583	
94.006	AmeriCorps State and National	15,302	15,302
94.006	COVID-19 - AmeriCorps State and National	171	171
	Total AmeriCorps State and National	15,473	
94.009	Training and Technical Assistance	234	
Total - Corporation for National and Community Service		\$16,290	\$15,473
Executive Office of the President			
95.001	High Intensity Drug Trafficking Areas Program	4,757	
Total - Executive Office of the President		\$4,757	\$0
Social Security Administration			
<i>Disability Insurance/SSI Cluster:</i>			
96.001	Social Security Disability Insurance	134,468	
Total - Social Security Administration		\$134,468	\$0
U.S. Department of Homeland Security			
97.008	Non-Profit Security Program	3,956	3,824
97.012	Boating Safety Financial Assistance	2,939	
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	290	
97.029	Flood Mitigation Assistance	2,863	2,566
97.036	Disaster Grants - Public Assist (Presidentially Declared Disasters)	16,805	15,551
97.036	COVID-19 - Disaster Grants - Public Assist (Presidentially Declared Disasters)	509,291	484,910
	Total Disaster Grants - Public Assist (Presidentially Declared Disasters)	526,096	
97.039	Hazard Mitigation Grant	9,035	7,827
97.041	National Dam Safety Program	902	626
97.042	Emergency Management Performance Grants	11,249	4,946
97.043	State Fire Training Systems Grants	10	
97.044	Assistance to Firefighters Grant	135	

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Schedule of Expenditures of Federal Awards - June 30, 2025

Assistance Listing #	Assistance Listing Program Name	Federal Expenditures (000's)	Passed Through to Subrecipients (000's)
97.045	Cooperating Technical Partners	6	
97.047	BRIC: Building Resilient Infrastructure and Communities	781	528
97.052	Emergency Operations Center	541	541
97.056	Port Security Grant Program	141	
97.067	Homeland Security Grant Program	32,856	30,086
97.088	Disaster Assistance Projects	173	
97.091	Homeland Security Biowatch Program	488	18
97.137	State & Local Cybersecurity Grant Program	3,206	
Total - U.S. Department of Homeland Security		\$595,667	\$551,423
GRAND TOTAL		\$48,535,970	\$7,950,313

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Notes to the Schedule of Expenditures of Federal Awards - June 30, 2025

Note A: Single Audit Reporting Entity

The Commonwealth of Pennsylvania (the Commonwealth) includes expenditures in its schedule of expenditures of federal awards (SEFA) for all federal programs administered by the same funds, agencies, boards, commissions, and component units included in the Commonwealth's financial reporting entity used for its basic financial statements. However, the State System of Higher Education (SSHE), the Pennsylvania Higher Education Assistance Agency (PHEAA), the Pennsylvania Housing Finance Agency (PHFA), the Pennsylvania Convention Center Authority (PCCA), the Philadelphia Shipyard Development Corporation (PSDC), which are discretely presented component units, the Philadelphia Regional Port Authority (PRPA) and the Commonwealth Financing Authority (CFA), which are blended component units, elect to have their own single audits (when required) and their expenditures of federal awards are therefore excluded from the Commonwealth's SEFA. These seven component units are required to submit their own single audit reports to the Federal Audit Clearinghouse. The PCCA and the PSDC are not required to submit a single audit for the year ended June 30, 2025, because their federal expenditures were below the requirement threshold. In addition, the Judicial Department of Pennsylvania, which is included in the Primary Government, elected to have its own single audit performed. Their federal expenditures are also excluded from the Commonwealth's SEFA.

Note B: Basis of Accounting

All expenditures for each program included in the schedule of expenditures of federal awards are net of applicable program income and refunds. Negative amounts shown on the SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Expenditures reported under Assistance Listing Number (ALN) 10.551, Supplemental Nutrition Assistance Program (SNAP), and ALN 10.542, Pandemic EBT Food Benefits, represent amounts the Electronic Benefits Transfer (EBT) contractor paid to retail outlets for participants' purchases under the programs during the fiscal year ended June 30, 2025.

Expenditures reported under ALN 10.555, National School Lunch Program, ALN 10.558, Child and Adult Care Food Program, ALN 10.559, Summer Food Service Program for Children, ALN 10.565, Commodity Supplemental Food Program, and ALN 10.569, Emergency Food Assistance Program, include the value of food commodity distributions calculated using the U.S. Department of Agriculture, Food and Nutrition Service, commodity price lists in effect as of July 1, 2024 and January 1, 2025.

A portion of subrecipient expenditures reported under ALN 14.228, Community Development Block Grants, and all subrecipient expenditures reported under ALN 14.239, Home Investment Partnerships Program, represent funds drawn directly from the Housing and Urban Development (HUD) Integrated Disbursement and Information System (IDIS) by subrecipients of the Commonwealth.

Expenditures reported under ALN 20.200, Highway Research and Development Program, ALN 20.205, Highway Planning and Construction, ALN 20.215, Highway Training and Education, ALN 20.218, Motor Carrier Safety Assistance, ALN 20.219, Recreational Trails Program, ALN 20.224, Federal Lands Access Program, ALN 20.505, Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research, ALN 20.933, National Infrastructure Investments, ALN 20.934, Nationally Significant Freight and Highway Projects, ALN 20.938, Rural Surface Transportation Grant Program, and ALN 23.003, Appalachian Development Highway System are presented on the basis that expenditures are reported to the U.S. Department of Transportation. Accordingly, certain expenditures are recorded when paid and certain other expenditures are recorded when the federal obligation is determined.

Amounts reported as expenditures under ALN 39.003, Donation of Federal Surplus Personal Property, represent the General Services Administration's average fair market value percentage of 23.34 percent of the federal government's original acquisition cost (OAC) of the federal property transferred to recipients by the Commonwealth.

Expenditures identified on the SEFA as Vaccines under ALN 93.268, Immunization Cooperative Agreements, represent the dollar value of the items used.

COMMONWEALTH OF PENNSYLVANIA

Notes to the Schedule of Expenditures of Federal Awards - June 30, 2025

The total COVID expenditures reported under ALN 93.778, Grants to States for Medicaid, are negative due to COVID related refunds. The COVID enhancement is applicable to expenditures related to October 2020 through December 2023. Most of the expenditures are now negative because of the 2-year rule for claiming positive expenditures, but no limitation on refunds.

Expenditures reported by the Pennsylvania Department of Transportation (PennDOT) under ALN 97.036, Disaster Grants-Public Assistance (Presidentially Declared Disasters), are recorded when the estimated federal obligation is determined and reimbursed.

The remaining expenditures included in the schedule of expenditures of federal awards are presented on the cash plus invoices payable basis. Invoices payable represents Commonwealth expenditures recorded on the general ledger for which the Commonwealth Treasury Department has not made cash disbursements.

The Commonwealth has not elected to use the de minimis cost rate referenced in Uniform Guidance § 200.414 Indirect (F&A) costs.

Note C: Categorization of Expenditures

The schedule of expenditures of federal awards reflects federal expenditures for all individual grants that were active during the fiscal year ended June 30, 2025. The categorization of expenditures by program included in the SEFA is based on the Assistance Listing. Changes in the categorization of expenditures occur based on revisions to the ALN, which are issued on a real-time basis on the Assistance Listing website.

Note D: Unemployment Insurance

In accordance with Department of Labor, Office of Inspector General instructions, the Commonwealth recorded State Regular Unemployment Compensation (UC) benefits under ALN 17.225 in the SEFA. Refunds in the amount of \$22.3 million are reflected in the COVID ALN 17.225 line amount on the SEFA and in the chart below. The individual state and federal portions are as follows (amounts in thousands):

State Regular UC Benefits	\$2,007,193
Federal UC Benefits	(2,428)
Federal Admin.	191,797
Total Expenditures	<u>\$2,196,562</u>

Schedule of Findings and Questioned Costs



Commonwealth of Pennsylvania

COMMONWEALTH OF PENNSYLVANIA

Summary of Auditors' Results - June 30, 2025

Financial Statements

Type of report the auditors issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

____yes

Xno

Significant deficiency(ies) identified?

Xyes

____none reported

Noncompliance material to financial statements noted?

____yes

Xno

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

Xyes

____no

Significant deficiency(ies) identified?

Xyes

____none reported

Type of auditors' report issued on compliance for major federal programs:

Qualified for noncompliance in the following major federal programs:

Supplemental Nutrition Assistance Program (SNAP) Cluster (ALN 10.551 and 10.561)
Food Distribution Cluster (ALN 10.565, 10.568, and 10.569)
Abandoned Mine Land Reclamation (AMLR) (ALN 15.252)
Clean Water State Revolving Fund (ALN 66.458)
Education Stabilization Fund (ALN 84.425 C, D, R, U, V, W)
Aging Cluster (ALN 93.044, 93.045, and 93.053)
Temporary Assistance for Needy Families (ALN 93.558)
Social Services Block Grant (ALN 93.667)
Disaster Grants – Public Assistance (Presidentially Declared Disasters) (ALN 97.036)

Unmodified for the following major federal programs:

Summer Electronic Benefit Transfer Program for Children (ALN 10.646)
Veterans State Nursing Home Care (ALN 64.015)
Supporting Effective Instruction State Grants (ALN 84.367)
Student Support and Academic Enrichment Program (ALN 84.424)
Medicaid Cluster (ALN 93.775, 93.777, and 93.778)

COMMONWEALTH OF PENNSYLVANIA

Summary of Auditors' Results - June 30, 2025

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)	Name of Federal Program or Cluster	Federal Expenditures (000s)
10.551 and 10.561	Supplemental Nutrition Assistance Program (SNAP) Cluster (C)	4,568,079
10.565, 10.568, and 10.569	Food Distribution Cluster	96,626
10.646	Summer Electronic Benefit Transfer Program for Children	120,081
15.252	Abandoned Mine Land Reclamation (AMLR)	72,457
64.015	Veterans State Nursing Home Care	57,310
66.458	Clean Water State Revolving Fund	68,952
84.367	Supporting Effective Instruction State Grants	72,080
84.424	Student Support and Academic Enrichment Program	67,884
84.425 C, D, R, U, V, W	Education Stabilization Fund (C)	1,194,522
93.044, 93.045, and 93.053	Aging Cluster (C)	68,054
93.775, 93.777, and 93.778	Medicaid Cluster (C)	28,927,975
93.558	Temporary Assistance for Needy Families	403,374
93.667	Social Services Block Grant	93,555
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters) (C)	526,096
Total Federal Expenditures – Major Programs		36,337,045

(C) = COVID-19 Funds included

Dollar threshold used to distinguish between Type A and Type B programs (000s): \$72,804

Auditee qualified as low-risk auditee? yes X no

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Index to Basic Financial Statement Findings - June 30, 2025

Finding No.	Finding Title	Impacted State Agency	Finding Page	CAP Page
2025-001*	Information Technology General Controls Need Improvement (Similar Conditions Were Noted in Prior Year Finding 2024-001)	OA-OIT	41	94
2025-002*	Untimely Account Reconciliations and Recording of Financial Information Resulted in the Inability to Produce Timely Financial Reports (A Similar Condition Was Noted in Prior Year Finding 2024-002)	L&I-SWIF	44	94

* - Significant Deficiency
CAP - Corrective Action Plan

COMMONWEALTH OF PENNSYLVANIA

Basic Financial Statement Findings - June 30, 2025

Finding 2025 – 001:

Office of Administration – Office for Information Technology Infrastructure and Economic Development Delivery Center

Information Technology General Controls Need Improvement (Similar Conditions Were Noted in Prior Year Finding 2024-001)

Type of Finding: Significant Deficiency in Internal Control

Condition: Our review of information technology (IT) general controls in the Office of Administration, Office for Information Technology (OA-OIT), for the fiscal year ended June 30, 2025, disclosed the following control deficiencies:

1. Eight of 25 terminated users tested were not removed within two weeks after separation from a Pennsylvania Department of Transportation (PennDOT) construction management system supported by the Infrastructure and Economic Development (I&ED) Delivery Center.
2. Eight separated system administrators did not have their accounts removed from seven separate PennDOT applications supported by the I&ED Delivery Center.

A detailed schedule of issues has been provided to the OA-OIT for corrective action.

Criteria: Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office’s *Standards for Internal Control in the Federal Government (Green Book)*.

- Green Book Principle 11 – Design Activities for the Information System, states in part:
 - *11.09 Management designs control activities over the information technology infrastructure to support the completeness, accuracy, and validity of information processing by information technology. ... Management evaluates the objectives of the entity and related risks in designing control activities for the information technology infrastructure.*
 - *11.11 Management designs control activities for security management of the entity’s information system for appropriate access by internal and external sources to protect the entity’s information system.*
 - *11.12 Management designs control activities over access to protect an entity from inappropriate access and unauthorized use of the system. These control activities support appropriate segregation of duties. By preventing unauthorized use of and changes to the system, data and program integrity are protected from malicious intent (e.g., someone breaking into the technology to commit fraud, vandalism, or terrorism) or error.*
 - *11.14 Management designs control activities to limit user access to information technology through authorization control activities, such as providing a unique user identification or token to authorized users. These control activities may restrict authorized users to the applications or functions commensurate with their assigned responsibilities, supporting an appropriate segregation of duties. Management designs other control activities to promptly update access rights when employees change job functions or leave the entity.*

OA-OIT’s *Access Management Policy*, Section 4, effective January 6, 2025, states, in part:

- *Privileged accounts shall be disabled or removed (subject to audit requirements or investigations) immediately upon separation of the user.*
- *...privileged accounts and access rights will be reviewed every six months and adjusted as needed.*

COMMONWEALTH OF PENNSYLVANIA

Basic Financial Statement Findings - June 30, 2025

Finding 2025 – 001: (continued)

A well-designed system of internal controls dictates effective IT general controls, which include adequate access controls to programs and data be established and functioning to ensure that overall agency operations are conducted in accordance with management's intent.

Cause: I&ED Delivery Center system administrators rely on notification via a report from the Office of Administration, Office for Human Resources (OA-HR), to manually remove a user's access from the PennDOT construction management system. OA-HR is dependent on notification from supervisors to begin the off-boarding process. For the eight instances identified, we noted issues with the notification process used by I&ED Delivery Center and OA-HR to remove users' access, including the following:

- Five of the users were employed as interns but still retained access when they went back to school. The interns, however, did not return as expected. When supervisors eventually notified OA-HR that the interns would not be returning, I&ED Delivery Center officials were notified and removed their access. Interns retained access for up to six months after the interns separated.
- One of the users was on unpaid long-term leave yet still retained access for three weeks when OA-HR was finally notified by the supervisor that the employee would not be returning.
- Two of the users' separations were not reported timely to OA-HR by supervisors, and OA-HR was unable to notify I&ED Delivery Center officials until up to seven months after the separation occurred.

An automated process to remove users from the system has been planned but has not been implemented.

During tests of privileged access, we identified various reasons why eight separated system administrators did not have their accounts removed from the seven separate PennDOT applications. I&ED Delivery Center management indicated the following as to why the separated system administrators did not have their accounts removed timely:

- For five of the separated administrators, failure to remove the accounts was due to "oversight," resulting in access not being removed from five months to over four years following the administrators' separations.
- For two of the separated administrators, OA-HR failed to notify I&ED Delivery Center system administrators of the need to remove the administrators' accounts. In one instance, the supervisor did not request to remove access for a system administrator on long-term leave without pay. OA-HR later backdated the separation dates of these system administrators.
- One separated administrator was not removed because I&ED Delivery Center system administrators failed to act on two requests from supervisors to delete the account until auditors identified the issue during current year testing. The account was not removed until six months after separation.

Notably, in all instances, there was no evidence that I&ED Delivery Center officials had performed the required semi-annual review of privileged users, which could have detected the inappropriate access rights.

Effect: A lack of timely removal of terminated users, including terminated users with privileged access, elevates the risk that unauthorized system actions can occur that are not in accordance with management's intent. In the absence of effective IT general controls, management cannot be assured that systems under its control are adequately protecting the confidentiality and integrity of information contained in the systems. Further, without properly functioning controls over terminated users, the auditors are precluded from reliance on computer controls in these agencies.

Recommendations: We recommend OA-OIT management:

- Continue efforts to automate the process for removing separated users' access to the PennDOT construction management system. Until an automated process is fully implemented, management should:

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Basic Financial Statement Findings - June 30, 2025

Finding 2025 – 001: (continued)

- Coordinate with OA-HR to improve timely notification of user separations; and
- Revise and implement policies and procedures to improve timely notifications by agency supervisors.
- Review and revise current procedures to ensure system administrators remove access upon receipt of a separation notice and implement monitoring to verify the timeliness of the removals.
- Implement procedures to comply with OA-OIT's *Access Management Policy* to review privileged access every six months for servers supporting PennDOT applications to ensure that privileged users are only granted access specifically needed to perform assigned duties.

OA-OIT Response: Management acknowledges the audit finding related to the untimely deactivation of terminated user accounts. In response to this as a finding in prior years, management worked with HR to implement automated reports identifying individuals no longer employed by the Commonwealth. These reports were distributed to designated personnel responsible for initiating user deactivation and operated effectively for several years.

Due to employee turnover, awareness of the reporting process and associated responsibilities diminished, resulting in the reports not being consistently reviewed or acted upon and causing the control to become ineffective.

To remediate this issue, management will conduct training for staff responsible for user access management to reinforce the offboarding process, clarify roles and responsibilities, and emphasize the importance of timely account deactivation. The process will also be documented and incorporated into onboarding materials to reduce reliance on institutional knowledge and prevent recurrence.

Auditors' Conclusion: OA-OIT acknowledges the finding. No new information was provided which would mitigate the finding. The finding remains as stated. We will evaluate any corrective action in the subsequent audit.

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Basic Financial Statement Findings - June 30, 2025

Finding 2025 – 002:

Department of Labor and Industry – State Workers’ Insurance Fund

Untimely Account Reconciliations and Recording of Financial Information Resulted in the Inability to Produce Timely Financial Reports (A Similar Condition Was Noted in Prior Year Finding 2024-002)

Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition: The State Workers’ Insurance Fund (SWIF) management decided to “go live” with the new vendor-developed claims management system in May 2023 without designing all of the requirements for user acceptance testing to ensure that the new system would be able to produce monthly financial statements. The new system was unable to produce required statements for a 14-month period from May 2023 to July 2024. SWIF management made efforts to get caught up on financial reporting requirements; however, year-end close procedures for the fiscal year ended December 31, 2024, were not completed until July 2025. Timely reconciliation and recording of financial information is key to an effective system of internal control because it promotes operational efficiency, timely identification and correction of errors, and allows management to ensure compliance with policies, procedures, laws and regulations. The delay with processing and closing monthly financial activity impacted several areas of SWIF’s operations:

- Untimely issuance of the *Annual Statement of the State Workers' Insurance Fund of Scranton in the State of Pennsylvania to the Insurance Department of the State of Pennsylvania for the Year Ended December 31, 2024*, which was required to be issued by March 1, 2025, to the Pennsylvania Insurance Department. The report was issued in August 2025.
- Untimely completion of SWIF’s financial year-end close. The year-end trial balance and draft financial statements were not available until August 2025 and September 2025, respectively.
- Untimely reconciliation of account balances for key financial statement areas, including investments, receivables, unearned premiums, premiums earned, net investment income, losses incurred claims, loss adjustment expenses, and other underwriting expenses.
- SWIF was unable to timely monitor compliance with its investment policy for statutory equity limitations. SWIF fell out of compliance with limitations during 8 of the 12 months of the audit period. SWIF is required to annually develop a plan to rebalance investments if necessary.
- Overall financial data was not available for oversight and operational decision making.

Criteria: Management Directive 325.12 – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office’s *Standards for Internal Control in the Federal Government (Green Book)*.

- Green Book Principle 13 – Use Quality Information, states in part:
 - *13.04 Management obtains relevant data from reliable internal and external sources in a timely manner based on the identified information requirements. Relevant data have a logical connection with, or bearing upon, the identified information requirements. Reliable internal and external sources provide data that are reasonably free from error and bias and faithfully represent what they purport to represent. Management evaluates both internal and external sources of data for reliability. Sources of data can be operational, financial, or compliance related. Management obtains data on a timely basis so that they can be used for effective monitoring.*

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Basic Financial Statement Findings - June 30, 2025

Finding 2025 – 002: (continued)

- *13.05 Management processes the obtained data into quality information that supports the internal control system. This involves processing data into information and then evaluating the processed information so that it is quality information. Quality information meets the identified information requirements when relevant data from reliable sources are used. Quality information is appropriate, current, complete, accurate, accessible, and provided on a timely basis. Management considers these characteristics as well as the information processing objectives in evaluating processed information and makes revisions when necessary, so that the information is quality information. Management uses the quality information to make informed decisions and evaluate the entity's performance in achieving key objectives and addressing risks.*
- Green Book Principle 14 – Communicate Internally, states in part:
 - *14.05 The oversight body receives quality information that flows up the reporting lines from management and personnel. Information relating to internal control communicated to the oversight body includes significant matters about adherence to, changes in, or issues arising from the internal control system. This upward communication is necessary for the effective oversight of internal control.*

Pennsylvania Statutes Title 72. Taxation and Fiscal Affairs Chapter 1. The Fiscal Code Article XVII-A. Special Funds Subarticle D. Investments Section 1731-A State Workers' Insurance Board, states in part:

- Notwithstanding any inconsistent provisions of section 1512 of the act of June 2, 1915 (P.L. 736, No. 338), known as the Workers' Compensation Act, section 504 of the act of November 30, 1965 (P.L. 847, No. 356), known as the Banking Code of 1965, and any other law of this Commonwealth, the power of the State Workers' Insurance Board to invest money shall include the power to hold, purchase, sell, assign, transfer and dispose of securities, including common stock with the following restrictions:
 - (1) Investments in equities may not exceed the lesser of:
 - 15% of the State Workers' Insurance Fund's assets; or
 - The State Workers' Insurance Fund's statutory surplus after discount, except that, notwithstanding the statutory surplus, the State Workers' Insurance Fund is authorized to invest up to 7 ½ % of the book value of its assets in equities.
 - (1.1) Investments in equities shall be made subject to the prudent investor rule as provided for under 20 Pa.C.S. § 7203 (relating to prudent investor rule).
 - (2) The State Workers' Insurance Board shall establish a policy for investments and shall meet at least annually to develop a schedule for rebalancing its investments in securities to meet the restriction of paragraph (1).

Insurance Company Law of 1921 – Omnibus Amendments Act of Mar. 22, 2010, P.L. 147, No. 14 Session of 2010 No. 2010-14, states in part:

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

- Section 1. Section 320 of the act of May 17, 1921 (P.L. 682, No. 284), known as The Insurance Company Law of 1921, amended December 18, 1992 (P.L.1519, No.178) and February 17, 1994 (P.L.92, No.9), is amended to read:

Section 320. Annual and Other Reports; Penalties.—(a) (1) Every stock and mutual insurance company, association, and exchange, doing business in this Commonwealth, shall annually, on or before the first day of March, file in the office of the Insurance Commissioner and with the National Association of Insurance Commissioners a statement which shall exhibit its financial condition on the thirty-first day of December of the previous year, and its business of that year...

COMMONWEALTH OF PENNSYLVANIA

Basic Financial Statement Findings - June 30, 2025

Finding 2025 – 002: (continued)

Cause: Personnel from the Employment Banking and Revenue (EBR) Delivery Center in the Office of Administration, Office for Information Technology (OA-OIT) provided evidence that SWIF management had signed off that all user acceptance testing was performed prior to “go-live.” EBR Delivery Center personnel were aware, however, that SWIF management had deferred development of business requirements for required financial reports until the next phase of the project.

Although users had not completed all requirements for testing of financial reports by the May 2023 system implementation date, SWIF management proceeded with the “go live” decision. SWIF management failed to fully assess the operational risk created by the new system’s inability to generate timely, reliable financial reporting.

Effect: The lack of fully functional claims management reporting, combined with the untimely reconciliation of account balances prevented management from producing monthly financial statements from May 2023 through July 2024, which was 14 months after the implementation of the new system and increased the risk of generating incomplete and/or inaccurate financial information. As a result, SWIF encountered several operational deficiencies and delays with key deliverables as noted above in the condition.

Recommendation: SWIF management should work to ensure:

- Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records;
- Timely and accurate completion of the monthly closing process which would allow SWIF to maintain normal and timely operations, such as, monitoring investment policy and issuing the Annual Statement by the March 1 deadline; and
- Current and future monthly financial reports are accurate and complete to support SWIF’s financial position.

Agency Response: SWIF agrees that the decision to proceed with the “go-live” of the new claims management system in May 2023 was made without the completion and testing of the financial reports required for monthly financial reporting and the Annual Financial Statement. SWIF was able to make a lot of progress in getting caught up on the monthly financial reports, but we were still several months late in being able to produce our Annual Statement. With continued progress in this area SWIF anticipates being able to produce the 2025 Annual Statement by April 1, 2026, and expect to meet the March 1 deadline with the 2026 Annual Statement.

Auditors’ Conclusion: SWIF agrees with the finding. We will evaluate any corrective action in the subsequent audit.

COMMONWEALTH OF PENNSYLVANIA

Index to Federal Award Findings and Questioned Costs - June 30, 2025

Finding Number	ALN	Assistance Listing Program Name	Finding Title	Compliance Conclusion	Questioned Costs	Impacted State Agency	Finding Page	CAP Page
2025-003 **	93.044 93.045 93.053	Aging Cluster (including COVID-19)	A Material Weakness and Material Noncompliance Exist in the Department of Aging Related to Subrecipient Monitoring (A Similar Condition Was Noted in Prior Year Finding 2024-003)	MNC	ND	PDOA	51	95
2025-004 **	93.044 93.045 93.053	Aging Cluster (including COVID-19)	A Material Weakness and Material Noncompliance Exist in the Department of Aging's Maintenance of Effort Certification Reporting Process	MNC	None	PDOA	54	95
2025-005 **	93.044 93.045 93.053	Aging Cluster (including COVID-19)	A Material Weakness and Material Noncompliance Exist in the Department of Aging's Program Income and Reporting Process	MNC	None	PDOA OB-OCO	56	96
2025-006 *	10.565 10.568 10.569	Food Distribution Cluster	A Significant Deficiency and Noncompliance Exist in Pennsylvania Department of Agriculture Monitoring of Food Distribution Cluster Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2024-005)	NC	ND	PDA	60	96
2025-007 **	10.551 10.561 93.558	Supplemental Nutrition Assistance Program (SNAP) Cluster (including COVID-19) Temporary Assistance for Needy Families	A Material Weakness and Material Noncompliance Exist at the Department of Human Services Related to Electronic Benefits Transfer Card Security (A Similar Condition Was Noted in Prior Year Finding 2024-007)	MNC	ND	DHS	62	97

* - Significant Deficiency

** - Material Weakness

ND - The amount of questioned costs cannot be determined

MNC - Material Noncompliance

NC - Noncompliance

ALN - Assistance Listing Number

CAP - Corrective Action Plan

N/A - Not Applicable

COMMONWEALTH OF PENNSYLVANIA

Index to Federal Award Findings and Questioned Costs - June 30, 2025

Finding Number	ALN	Assistance Listing Program Name	Finding Title	Compliance Conclusion	Questioned Costs	Impacted State Agency	Finding Page	CAP Page
2025-008 **	93.667	Social Services Block Grant	A Material Weakness and Material Noncompliance Exist in the Department of Human Services' Program Monitoring of the Social Services Block Grant Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2024-008)	MNC	ND	DHS	65	98
2025-009 *	93.558	Temporary Assistance for Needy Families	Department of Labor and Industry Did Not Perform Adequate Monitoring of Temporary Assistance for Needy Families Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2024-009)	NC	ND	L&I	68	98
2025-010 *	64.015	Veterans State Nursing Home Care	A Significant Deficiency Exists at the Department of Military and Veterans Affairs related to MatrixCare Application	N/A	None	DMVA	71	99
2025-011 *	15.252	Abandoned Mine Land Reclamation (AMLR)	A Significant Deficiency Exists at the Department of Environmental Protection Related to Segregation of Duties	N/A	None	OA-OIT	73	100
2025-012 **	Various	Various ALNs – See Finding	A Material Weakness and Material Noncompliance Exist in the Commonwealth's FFATA Reporting Process	MNC	None	OB-OCO	75	100

* - Significant Deficiency

** - Material Weakness

ND - The amount of questioned costs cannot be determined

MNC - Material Noncompliance

NC - Noncompliance

ALN - Assistance Listing Number

CAP - Corrective Action Plan

N/A - Not Applicable

COMMONWEALTH OF PENNSYLVANIA

Index to Federal Award Findings and Questioned Costs - June 30, 2025

Finding Number	ALN	Assistance Listing Program Name	Finding Title	Compliance Conclusion	Questioned Costs	Impacted State Agency	Finding Page	CAP Page
2025-013 *	Various	Various ALNs – See Finding	State Agencies Did Not Identify the Federal Award Information and Applicable Requirements at the Time of the Subaward and Did Not Evaluate Each Subrecipient’s Risk of Noncompliance as Required by the Uniform Grant Guidance (A Similar Condition Was Noted in Prior Year Finding 2024-014)	NC	ND	Various	78	100
2025-014 **	Various	Various ALNs – See Finding	A Material Weakness and Material Noncompliance Exist in the Commonwealth’s Subrecipient Audit Resolution Process (A Similar Condition Was Noted in Prior Year Finding 2024-015)	MNC	ND	Various	81	101

* - Significant Deficiency

** - Material Weakness

ND - The amount of questioned costs cannot be determined

MNC - Material Noncompliance

NC - Noncompliance

ALN - Assistance Listing Number

CAP - Corrective Action Plan

N/A - Not Applicable

COMMONWEALTH OF PENNSYLVANIA

Matrix of Findings by Federal Agency - June 30, 2025

Federal Agency	USDA	DOI	VA	EPA	ED	HHS	USDHS
Prefix	10	15	64	66	84	93	97
Finding							
2025-003						X	
2025-004						X	
2025-005						X	
2025-006	X						
2025-007	X					X	
2025-008						X	
2025-009						X	
2025-010			X				
2025-011		X					
2025-012		X				X	X
2025-013	X					X	
2025-014	X			X	X	X	

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Department of Aging

Finding 2025 – 003:

ALN 93.044, 93.045, and 93.053 – Aging Cluster (including COVID-19)

A Material Weakness and Material Noncompliance Exist in the Department of Aging Related to Subrecipient Monitoring (A Similar Condition Was Noted in Prior Year Finding 2024-003)

Federal Grant Number(s) and Year(s): 2101PACMC6 (4/01/2021 – 9/30/2024), 2101PAHDC6 (4/01/2021 – 9/30/2024), 2101PASSC6 (4/01/2021 – 9/30/2024), 2201PASTPH (1/01/2022 – 9/30/2025), 2301PAOACM (10/01/2022 – 9/30/2025), 2301PAOAH (10/01/2022 – 9/30/2025), 2301PAOASS (10/01/2022 – 9/30/2025), 2401PAOACM (10/01/2023 – 9/30/2025), 2401PAOAH (10/01/2023 – 9/30/2025), 2401PAOANS (10/01/2023 – 9/30/2025), 2401PAOASS (10/01/2023 – 9/30/2025), 2501PAOASS (10/01/2024 – 9/30/2026), 2501PAOACM (10/01/2024 – 9/30/2026), 2501PAOAH (10/01/2024 – 9/30/2026), 2501PAOANS (10/01/2024 – 9/30/2026)

Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance

Compliance Requirement: Subrecipient Monitoring

Condition: Within the Aging Cluster, the Pennsylvania Department of Aging (PDOA) contracts with 52 Area Agency on Aging subrecipients to provide various services that include cares support, preventive health, and nutrition services, among others. Our audit testing disclosed that PDOA performed subrecipient monitoring on 18 of the 52 subrecipients during the fiscal year ended June 30, 2025. The review period for the 18 subrecipients monitored was 2019 through 2023, representing old grant years. The monitoring performed did not include grants in years 2024 and 2025 to ensure timely compliance.

The Aging Cluster subrecipients received \$66.3 million, or 97 percent, of Aging Cluster Program expenditures totaling \$68.1 million reported on the Schedule of Expenditures of Federal Awards (SEFA).

Criteria: 45 CFR Section 1321.9 State agency policies and procedures, states in part:

(a) *The State agency on aging shall develop policies and procedures governing all aspects of programs operated as set forth in this part... The State agency is responsible for implementing, monitoring, and enforcing policies and procedures, where:*

(1) *The policies and procedures developed by the State agency shall address how the State agency will monitor the programmatic and fiscal performance of all programs and activities initiated under this part for compliance with all requirements, and for quality and effectiveness.*

2 CFR Section 200.332, Requirements for pass-through entities, states:

(e) *Monitor the activities of the subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved. In monitoring a subrecipient, a pass-through entity must:*

(1) *Review financial and performance reports.*

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Finding 2025 – 003: (continued)

- (2) *Ensure that the subrecipient takes corrective action on all significant developments that negatively affect the subaward. Significant developments include Single Audit findings related to the subaward, other audit findings, site visits, and written notifications from a subrecipient of adverse conditions which will impact their ability to meet the milestones or the objectives of a subaward. When significant developments negatively impact the subaward, a subrecipient must provide the pass-through entity with information on their plan for corrective action and any assistance needed to resolve the situation.*
 - (3) *Issue a management decision for audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity...*
 - (4) *Resolve audit findings specifically related to the subaward. However, the pass-through entity is not responsible for resolving cross-cutting audit findings that apply to the subaward and other Federal awards or subawards. If a subrecipient has a current Single Audit report and has not been excluded from receiving Federal funding (meaning, has not been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant agency for audit or oversight agency for audit to perform audit follow-up and make management decisions related to cross-cutting audit findings in accordance with section § 200.513(a)(4)(viii). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.*
- (f) *Depending upon the pass-through entity's assessment of the risk posed by the subrecipient (as described in paragraph (c) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:*
- (1) *Providing subrecipients with training and technical assistance on program-related matters;*
 - (2) *Performing site visits to review the subrecipient's program operations; and*
 - (3) *Arranging for agreed-upon-procedures engagements as described in § 200.425.*

PDOA's Policy and Procedures Manual, Section B. Roles and Responsibilities of the State Authority states:

In accordance with the State's administrative authority, the Department's functions and responsibilities include the following:

- *The establishment and maintenance of policies and procedures for the fiscal and programmatic operation of the programs.*
- *The establishment of minimum standards for the provision of services and benefits.*
- *Enter into contracts or grants between the State and the Area Agencies on Aging (AAA) to set forth the responsibilities and performance requirements.*
- *Provide oversight and monitoring of the AAAs for compliance with all program's standards.*
- *Provide oversight and fiscal management of fund utilization based on funding source requirements.*

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office's *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

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Federal Award Findings and Questioned Costs - June 30, 2025

Finding 2025 – 003: (continued)

Cause: In response to the lack of monitoring procedures conducted in the prior year, PDOA has started monitoring subrecipients but continues to have a backlog. PDOA accelerated the monitoring schedule to include prior year review periods to bring the monitoring process current but did not monitor the current audit period. PDOA’s policy did not include a defined monitoring cycle of its subrecipients to ensure adequate monitoring was performed on a timely basis. We acknowledge that PDOA has implemented a new phase of their monitoring process. They enhanced the monitoring instrument used to monitor subrecipients and are working to eliminate the monitoring backlog.

Effect: Without proper subrecipient monitoring, PDOA cannot ensure compliance with grant requirements and federal regulations, including allowable costs and other requirements.

Recommendation: PDOA should perform adequate during-the-award monitoring procedures for all Aging Cluster subrecipients to ensure timely compliance with all applicable federal regulations. PDOA policy should include a defined monitoring cycle to ensure timely monitoring visits in addition to the compliance procedures. Monitoring by state officials should be supported by documentation to show the monitoring performed, areas examined, conclusions reached, and that the monitoring was performed in compliance with applicable regulations.

Agency Response: PDOA agrees with the finding.

Questioned Costs: The amount of questioned costs cannot be determined.

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Department of Aging

Finding 2025 – 004:

ALN 93.044, 93.045, and 93.053 – Aging Cluster (including COVID-19)

A Material Weakness and Material Noncompliance Exist in the Department of Aging’s Maintenance of Effort Certification Reporting Process

Federal Grant Number(s) and Year(s): 2101PACMC6 (4/01/2021 – 9/30/2024), 2101PAHDC6 (4/01/2021 – 9/30/2024), 2101PASSC6 (4/01/2021 – 9/30/2024), 2201PASTPH (1/01/2022 – 9/30/2025), 2301PAOACM (10/01/2022 – 9/30/2025), 2301PAOAH (10/01/2022 – 9/30/2025), 2301PAOASS (10/01/2022 – 9/30/2025), 2401PAOACM (10/01/2023 – 9/30/2025), 2401PAOAH (10/01/2023 – 9/30/2025), 2401PAOASS (10/01/2023 – 9/30/2025), 2501PAOACM (10/01/2024 – 9/30/2026), 2501PAOAH (10/01/2024 – 9/30/2026), 2501PAOASS (10/01/2024 – 9/30/2026)

Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance

Compliance Requirement: Matching, Level of Effort, Earmarking, Reporting

Condition: The Pennsylvania Department of Aging (PDOA) is required to spend at least the average amount of state funds for aging services and administration that it reported as spent under the state plan for these activities for the three previous fiscal years. The amount of state funds expended is subsequently required to be reported to the U.S. Department of Health and Human Services (HHS) on the Certification of Maintenance of Effort (MOE). Our testing confirmed that PDOA submitted the MOE Certification for federal fiscal year (FFY) ending September 30, 2024, for Title III, Parts B and C applicable to the Aging Cluster; however, the amount certified was incorrect.

In addition, using information provided by PDOA to support state funds expended, it was determined that FFY 2024 state expenditures were less than the average of the previous three years and therefore, PDOA did not meet the required level of effort for FFY ending September 30, 2024.

Criteria: 45 CFR Section 1321.9(c)(2)(vi), Maintenance of effort, states:

Maintenance of effort. *The State agency will meet expectations regarding maintenance of effort, where:*

- (A) *The State agency must expend for both services and administration at least the average amount of State funds reported and certified as expended under the State plan for these activities for the three previous fiscal years for Title III;*
- (B) *The amount certified must at least meet minimum match requirements from State resources;*
- (C) *Any amount of State resources included in the Title III maintenance of effort certification that exceeds the minimum amount mandated becomes part of the permanent maintenance of effort; and*
- (D) *Excess State match reported on the Federal financial report does not become part of the maintenance of effort unless the State agency certifies the excess.*

The *Instructions for Maintenance of Effort for Title III and Certification of Long-Term Care Ombudsman Program Expenditures* states in part:

This instruction requires the Authorized Official in each State/Territory Agency on Aging to submit a certification on maintenance of effort for Title III and certification of minimum expenditures for Long-Term Ombudsman Programs under Title III and Title VII of the Older Americans Act (OAA) for the prior fiscal year. As required in OAA, the State/Territory maintenance of effort level is to be determined annually.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Finding 2025 – 004: (continued)

In addition, Commonwealth Management Directive 325.12 Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office’s *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should design control activities to achieve objectives and respond to risk. Management should implement control activities through policies.

Cause: PDOA changed their methodology for calculating the MOE, and the data used to calculate state expenditures for FFY 2024 was from a prior period representing FFY 2023. PDOA’s controls over meeting the required level of effort and calculating the required MOE were not effective in detecting noncompliance and errors on the Certification of Maintenance of Effort submitted to HHS.

Effect: The MOE Certification submitted by PDOA was inaccurate. In addition, PDOA did not meet the required level of effort of state resources for FFY 2024. PDOA was not in compliance with the Level of Effort and reporting requirements.

Recommendation: We recommend that PDOA implement procedures to monitor their level of effort to ensure state expenditures meet the required level for each FFY as required. In addition, procedures should be implemented to ensure the MOE Certification is calculated correctly using verifiable resources.

Agency Response: PDOA agrees with the finding.

Questioned Costs: None

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Department of Aging
Office of the Budget - Office of Comptroller Operations

Finding 2025 – 005:

ALN 93.044, 93.045, and 93.053 – Aging Cluster (including COVID-19)

A Material Weakness and Material Noncompliance Exist in the Department of Aging’s Program Income and Reporting Process

Federal Grant Number(s) and Year(s): 2101PACMC6 (4/01/2021 – 9/30/2024), 2101PAHDC6 (4/01/2021 – 9/30/2024), 2101PASSC6 (4/01/2021 – 9/30/2024), 2201PASTPH (1/01/2022 – 9/30/2025), 2301PAOACM (10/01/2022 – 9/30/2025), 2301PAOAHD (10/01/2022 – 9/30/2025), 2301PAOASS (10/01/2022 – 9/30/2025), 2401PAOACM (10/01/2023 – 9/30/2025), 2401PAOAHD (10/01/2023 – 9/30/2025), 2401PAOASS (10/01/2023 – 9/30/2025), 2501PAOACM (10/01/2024 – 9/30/2026), 2501PAOAHD (10/01/2024 – 9/30/2026), 2501PAOASS (10/01/2024 – 9/30/2026)

Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance

Compliance Requirement: Program Income, Reporting

Condition: The Pennsylvania Department of Aging (PDOA) is required to submit a SF-425, *Federal Financial Report* to the United States Department of Health and Human Services (HHS) for the Aging Cluster of grants. The reports are due annually 90 days after the reporting period with a final submission due 120 days after the project period end date. The SF-425 report includes data related to federal cash receipts and disbursements, federal expenditures to date, the federal share of unliquidated obligations, the federal program income earned, the federal program income expended and unexpended, indirect charges to the grant, as well as other general information that is necessary to ensure compliance with program requirements.

We selected two of 11 SF-425 reports submitted during the audit period for testing. Our testing disclosed that federal program income did not agree to supporting documentation and was incorrectly reported on the September 30, 2024 annual filing for the federal fiscal year (FFY) 2024 federal grant. Although the SF-425 report was certified by an authorized official, the overstatement of federal program income earned and expended went undetected by Commonwealth management until it was brought to their attention by the auditor.

Our testing also disclosed that \$2,983,034 of unexpended federal program income was reported on the September 30, 2024, final filing for the FFY 2021 federal grant. This amount agreed to supporting documentation; however, PDOA could not adequately explain what action was taken to ensure the balance was expended in the subsequent fiscal year, as required by federal regulations and Aging Program Directives.

Our testing of federal program income included the review of cost sharing fees collected from services provided through Aging Cluster grants and PDOA provided reports from their accounting system used to track program income, but auditors were unable to determine the amount of federal cost sharing collections and if they were allowable.

Criteria: The 2025 OMB Uniform Guidance Compliance Supplement, Part 4 – III. Compliance Requirements for Aging Cluster, L. Reporting states, in part:

For State Agency-

1. *Financial Reporting*

- c. *SF-425, Federal Financial Reports – Semi-Annual (OMB No. 4040-0014)- Applicable*

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Finding 2025 – 005: (continued)

45 CFR Section 1321.9(c)(2)(xii), Use of program income, states:

Program income is subject to the requirements in 2 CFR 200.307 and 45 CFR 75.307 and as follows:

- (A) Voluntary contributions and cost sharing payments are considered program income;*
- (B) Program income collected must be used to expand a service funded under the Title III grant award pursuant to which the income was originally collected;*
- (C) The State agency must use the addition alternative as set forth in 2 CFR 200.307(e)(2) and 45 CFR 75.307(e)(2) when reporting program income, and prior approval of the addition alternative from the Assistant Secretary for Aging is not required;*
- (D) Program income must be expended or disbursed prior to requesting additional Federal funds; and*
- (E) Program income may not be used to match grant awards funded by the Act without prior approval.*

45 CFR Section 1321.9(c)(2)(xi), Cost Sharing states, in part:

A State agency is permitted under section 315(a) of the Act (42 U.S.C. 3030c-2(a)), to implement cost sharing for services funded by the Act by recipients of the services, except as provided for in paragraph (c)(2)(xi)(D) of this section.

(H) Collection of program income. All cost sharing contributions collected are considered program income and are subject to the requirements of 2 CFR 200.307, 45 CFR 75.307, and in § 1321.9(c)(2)(xii).

2 CFR Section 200.303(a), Internal controls, states:

The recipient and subrecipient must:

- (a) Establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control-Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).*

Aging Program Directive (APD) #25-01-03, Program Income, states in part:

Federal Program Income - All program income generated from services funded, in whole or in part, by federal OAA funds on hand as of June 30, 2024, is to be budgeted and expended during SFY 2024-25...

Failure to comply with these policies may result in the reduction of Block Grant funding to the AAA [Area Agency on Aging]...

AAAs will comply with the provisions of APD #05-01-11 concerning excessive balances of program income collections. AAAs are advised that payments of funds on SFY 2024-25 Aging Block Grant contracts will be contingent upon the compliance of AAAs with the federal and state requirements for program income and cost sharing fund balances...

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Finding 2025 – 005: (continued)

When a AAA has excessive balances of Federal Program Income, Local Program Income or OPTIONS Cost Sharing Funds as of June 30, 2024 (Fourth Quarter FRR), its SFY2024-25 Block Grant monthly payment(s) may be reduced or withheld until the AAA achieves compliance with the established program income balance requirements.

Aging Program Directive #05-01-11, Area Agency on Aging (AAAs) Program Income Policies, states in part:

Federal Program Income - All Federal program income generated from services funded, in whole or in part, by federal Older Americans Act funds that is on hand as of June 30 must be budgeted and expended during the following fiscal year. Failure to comply with this policy could result in the reduction of Block Grant funding to the AAA...

The AAA must also ensure that appropriate financial records for program income are maintained by service provider. The purpose of such records is to ensure compliance with standards established by the Department of Aging, i.e. that program income collections are expended on a timely basis and no excessive balances for program income collections are accumulated. Records must be available that properly reflect beginning balances, receipts, expenditures and ending balances.

In addition, Commonwealth Management Directive 325.12 Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office’s *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should design control activities to achieve objectives and respond to risk. Management should implement control activities through policies.

Cause: PDOA stated that management turnover, outdated policies, inconsistencies and timing of AAA reporting contributed to the incorrect reporting of program income. In addition, the accounting system, used by the AAAs to report program income to PDOA, reports federal program income as a single figure, commingling the reporting of program income of the various grant awards. As a result, the liquidation of program income by grant award could not be determined to ensure it was fully spent in compliance with federal requirements. Also, the report does not differentiate between voluntary contributions or cost sharing fees to determine compliance with federal program income requirements specific to cost sharing fees.

Effect: Since PDOA’s controls over reporting program income and the preparation process for the SF-425 report were not effective, program income was incorrectly reported on the SF-425 report submitted to HHS. In addition, PDOA was not in compliance with federal regulations and their Aging Program Directives related to program income requirements.

Recommendation: We recommend that PDOA update their written policies and procedures to ensure federal program income is accurately recorded, reported and in compliance with federal regulations. Program income should be monitored and reconciled to ensure that the balance on hand is budgeted and expended in accordance with federal regulations and PDOA’s policies. PDOA policy should allow for consistent accounting and reporting amongst the AAAs.

PDOA and the Office of Comptroller Operations (OCO) should also develop a policy for the review, approval, and submission of the SF-425 reports to ensure the reports are prepared accurately and submitted timely in accordance with federal regulations.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Finding 2025 – 005: (continued)

PDOA Response: PDOA agrees with this finding.

OCO Response: OCO agrees with this finding.

Questioned Costs: None

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Department of Agriculture

Finding 2025 – 006:

ALN 10.565, 10.568, and 10.569 – Food Distribution Cluster

A Significant Deficiency and Noncompliance Exist in Pennsylvania Department of Agriculture Monitoring of Food Distribution Cluster Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2024-005)

Federal Grant Number(s) and Year(s): 228PA100I1003 (6/13/2022 – 6/30/2025), 241PA825Y8105 (10/01/2023 – 9/30/2024), 241PA445Q2204 (10/01/2023 – 9/30/2024), 238PA000I1003 (5/25/2023 – 6/30/2025), 251PA825Y8105 (10/01/2024 – 9/30/2025)

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Compliance Requirement: Subrecipient Monitoring

Condition: The Pennsylvania Department of Agriculture (PDA), Bureau of Food Assistance (BFA), administers the operations of the Food Distribution Cluster (FDC). During the fiscal year ended June 30, 2025, subrecipient expenditures accounted for \$92.6 million or approximately 95.9 percent of total federal program expenditures of \$96.6 million.

PDA performs on-site monitoring of subrecipients to ensure compliance with federal program regulations. For The Emergency Food Assistance Program (TEFAP), PDA must submit a report of review findings to the eligible agency and ensure that corrective action is taken to eliminate deficiencies identified if deficiencies are disclosed through their review.

As part of our testing of subrecipient monitoring, we selected 20 TEFAP subrecipients, 14 soup kitchens and six lead agencies, out of 114 reviews conducted during the audit period to test PDA's monitoring procedures which includes the corrective action process. Our testing disclosed that PDA failed to submit a report of review findings and ensure that corrective action was taken by the eligible recipient agency for four of 14 soup kitchen subrecipients reviewed until after auditor inquiry.

Criteria: 7 CFR Section 251.11 (e) regarding TEFAP state monitoring system states:

If deficiencies are disclosed through the review of an eligible recipient agency, the State agency must submit a report of the review findings to the eligible recipient agency and ensure that corrective action is taken to eliminate the deficiencies identified.

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office's *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

Cause: PDA management did not provide a response as to why the deficiencies noted during the review of the soup kitchens were not completed in a timely manner. PDA subsequently communicated the deficiencies to the subrecipients and corrective action was taken.

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Finding 2025 – 006: (continued)

Effect: When PDA does not ensure corrective action for deficiencies disclosed in their review are corrected timely, subrecipients may continue to operate in noncompliance with program regulations.

Recommendation: We recommend that PDA implement procedures to communicate deficiencies to subrecipients to ensure timely corrective action is taken by the subrecipients to eliminate the deficiencies identified.

Agency Response: The Department of Agriculture agrees with this finding.

Questioned Costs: The amount of questioned costs cannot be determined.

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

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Department of Human Services

Finding 2025 – 007:

ALN 10.551 and 10.561 – Supplemental Nutrition Assistance Program (SNAP) Cluster (including COVID-19)

ALN 93.558 – Temporary Assistance for Needy Families

A Material Weakness and Material Noncompliance Exist at the Department of Human Services Related to Electronic Benefits Transfer Card Security (A Similar Condition Was Noted in Prior Year Finding 2024-007)

Federal Grant Number(s) and Year(s): 241PA405S2514 (10/01/2023 – 9/30/2024), 251PA405S2514 (10/01/2024 – 9/30/2025), 2101PATANF (10/01/2020 – 9/30/2021), 2301PATANF (10/01/2022 – 9/30/2023), 2401PATANF (10/01/2023 – 9/30/2024), 2501PATANF (10/01/2024 – 9/30/2025)

Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance

Compliance Requirement: Special Tests and Provisions related to EBT Card Security

Condition: During our audit of the Supplemental Nutrition Assistance Program (SNAP) administered by the Department of Human Services (DHS), we evaluated the security over Electronic Benefits Transfer (EBT) cards, which includes both the physical security of EBT cards during the issuance process at County Assistance Offices (CAO), as well as the handling of EBT cards returned from the United States Postal Service as undeliverable, or those that have been lost or stolen. EBT cards are the method by which SNAP benefit payments are made available to recipients. Also, EBT cards are the primary method by which cash and special allowance benefit payments are made available to Temporary Assistance for Needy Families (TANF) recipients. Total benefit expenditures for SNAP for the fiscal year ended June 30, 2025, totaled \$4.3 billion. Total benefit expenditures for TANF for the fiscal year ended June 30, 2025, totaled \$97.2 million.

Fourteen of the 86 CAO and district locations that issued EBT cards were selected for site testing in the current audit period. During our testing of the physical security over EBT cards, we noted exceptions at ten CAO and district locations selected for testing. These exceptions included the following:

- 1) The Roles/Permissions Report from the EBT Card Tracking Database provided by the EBT Project Office and CAO/district offices did not reconcile (1 district office and 5 CAO locations);
- 2) EBT cards were created outside of the hours of operations (1 CAO location);
- 3) The Daily Log Summary and Weekly Log Report from the EBT Card Tracking Database did not reconcile (1 CAO location);
- 4) Failure to perform the following:
 - Completion of EBT Card Paper Logs only in circumstances deemed an emergency (1 district office and 1 CAO location);
 - Designate a manager or supervisor to the Alternate EBT Coordinator role (1 CAO location);
 - Ensure that upon receipt of each shipment of EBT cards and related supplies, the shipping manifest is date stamped (1 CAO location);
 - Mail locally created EBT cards directly to customers (1 district office);
 - Maintain adequate security of EBT cards (1 CAO location);
 - Maintain adequate security of card printer (1 CAO location);
 - Maintain EBT Card Paper Logs for four years (1 CAO location);
 - Proper completion of EPPIC EBT Systems Application forms (1 CAO location);
 - Timely completion and submission of the EPPIC EBT Systems Application forms to the Office of Income Maintenance (OIM) EBT Security (1 district office and 4 CAO locations);

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Federal Award Findings and Questioned Costs - June 30, 2025

Finding 2025 – 007: (continued)

- Timely deactivation of user access in the EBT Card Tracking Database (2 CAO locations);
- Timely enter a shipment received into the EBT Card Tracking Database (1 CAO location); and
- Timely mail locally created EBT cards on the same day as card creation (1 district office).

Criteria: The 2025 OMB Uniform Guidance Compliance Supplement, Part 4 – Agency Program Requirements for the SNAP Cluster, Special Tests and Provisions – N.3 EBT Card Security, states:

The state is required to maintain adequate security over, and documentation/records for, EBT cards to prevent their theft, embezzlement, loss, damage, destruction, unauthorized transfer, negotiation, or use (7 CFR Section 274.8(b)(3)).

7 CFR Section 274.5, Record retention and forms security, states:

(c) Accountable Documents.

(1) EBT cards shall be considered accountable documents. The State agency shall provide the following minimum security and control procedures for these documents:

- i. Secure storage;*
- ii. Access limited to authorized personnel;*
- iii. Bulk inventory control records;*
- iv. Subsequent control records maintained through the point of issuance or use; and*
- v. Periodic review and validation of inventory controls and records by parties not otherwise involved in maintaining control records.*

45 CFR Section 75.302 applicable to TANF states:

(b) The financial management system of each non-Federal entity must provide for the following (see also §75.361, 75.362, 75.363, 75.364, and 75.365):

- (4) Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. See §75.303.*

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office’s *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

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Finding 2025 – 007: (continued)

Cause: Established policies and procedures were not followed consistently across CAO and district locations, which resulted in ineffective internal controls over EBT card security.

Effect: Without adequate security controls over EBT cards, there exists the possibility of misappropriation and/or abuse.

Recommendation: We recommend that DHS monitor EBT card security at CAO and district locations on a regular basis to improve consistency in the execution of documented policies and procedures.

Agency Response: DHS agrees with the finding.

Questioned Costs: The amount of questioned costs cannot be determined.

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

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Department of Human Services

Finding 2025 – 008:

ALN 93.667 – Social Services Block Grant

A Material Weakness and Material Noncompliance Exist in the Department of Human Services' Program Monitoring of the Social Services Block Grant Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2024-008)

Federal Grant Number(s) and Year(s): 2501PASOSR (10/01/2024 – 9/30/2026), 2401PASOSR (10/01/2023 – 9/30/2025)

Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance

Compliance Requirements: Cash Management, Subrecipient Monitoring

Condition: Our examination of the Department of Human Services' (DHS) procedures for monitoring Social Services Block Grant (SSBG) subrecipients revealed that DHS did not adequately risk assess and monitor the SSBG Mental Health, Homeless Assistance, and Child Welfare subrecipients to ensure that SSBG awards are used in compliance with laws and regulations, which include allowable costs, period of performance, and other requirements. Although DHS performed risk assessments of these subrecipients, the risk assessments did not include a consideration of all of the items outlined in 2 CFR Section 200.332 (c) (1)-(4). Further, the risk assessments did not define the course of action to be taken for each assigned risk level. DHS program personnel indicated that they performed on-site monitoring of eight subrecipients with seven final monitoring reports issued and one report in progress. The remaining 67 subrecipients were not monitored during the audit period. Expenditures for Mental Health, Homeless Assistance, and Child Welfare subrecipient programs not monitored totaled \$21.7 million (or approximately 23.2 percent) of total SSBG program expenditures of \$93.6 million reported on the Schedule of Expenditures of Federal Awards (SEFA). While we noted that DHS monitored eight of the 75 Mental Health County/County Joinder subrecipients which included Mental Health, Homeless Assistance and Child Welfare services, this coverage was not adequate. In addition, our review of the risk assessments completed for all of the aforementioned subrecipients identified several instances where subrecipient monitoring was warranted but was not conducted, including several subrecipients assessed as high risk for which no monitoring procedures were performed.

In addition, for the compliance requirement related to cash management, we noted that DHS advanced funds to SSBG subrecipients in four of nine program areas, representing \$34.0 million (or approximately 36.3 percent) of SSBG program expenditures, without adequately monitoring the reasonableness of the subrecipient cash balances. In particular, for the program areas related to Mental Health, Intellectual Disabilities, Homeless Assistance, and Child Welfare, DHS advanced funds to subrecipients on a quarterly basis. Our inquiries with applicable DHS program administrators disclosed that DHS did not adequately monitor the four program areas' subrecipients for cash management compliance either at the time of payment or at any other time during the fiscal year ended June 30, 2025.

Furthermore, while Single Audits of SSBG subrecipients may be conducted each year, this auditing activity does not compensate for the lack of during-the-award program monitoring, since the timing, focus, and scope of subrecipient auditing activities after year end are different than compliance monitoring to be performed by program officials during the year.

Criteria: 2 CFR Section 200.332, Requirements for pass-through entities, states:

- (c) Evaluate each subrecipient's fraud risk and risk of noncompliance with a subaward to determine the appropriate subrecipient monitoring described in paragraph (f) of this section. When evaluating a subrecipient's risk, a pass-through entity should consider the following:

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Finding 2025 – 008: (continued)

- (1) *The subrecipient's prior experience with the same or similar subawards;*
 - (2) *The results of previous audits. This includes considering whether or not the subrecipient receives a Single Audit in accordance with subpart F and the extent to which the same or similar subawards have been audited as a major program;*
 - (3) *Whether the subrecipient has new personnel or new or substantially changed systems; and*
 - (4) *The extent and results of any Federal agency monitoring (for example, if the subrecipient also receives Federal awards directly from the Federal agency).*
- (e) *Monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved. In monitoring a subrecipient, a pass-through entity must:*
- (1) *Review financial and performance reports.*
 - (2) *Ensure that the subrecipient takes corrective action on all significant developments that negatively affect the subaward. Significant developments include Single Audit findings related to the subaward, other audit findings, site visits, and written notifications from a subrecipient of adverse conditions which will impact their ability to meet the milestones or the objectives of a subaward. When significant developments negatively impact the subaward, a subrecipient must provide the pass-through entity with information on their plan for corrective action and any assistance needed to resolve the situation.*
 - (3) *Issue a management decision for audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521.*
 - (4) *Resolve audit findings specifically related to the subaward. However, the pass-through entity is not responsible for resolving cross-cutting audit findings that apply to the subaward and other Federal awards or subawards. If a subrecipient has a current Single Audit report and has not been excluded from receiving Federal funding (meaning, has not been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant agency for audit or oversight agency for audit to perform audit follow-up and make management decisions related to cross-cutting audit findings in accordance with section § 200.513(a)(4)(viii). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.*
- (f) *Depending upon the pass-through entity's assessment of the risk posed by the subrecipient (as described in paragraph (c) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:*
- (1) *Providing subrecipients with training and technical assistance on program-related matters;*
 - (2) *Performing site visits to review the subrecipient's program operations; and*
 - (3) *Arranging for agreed-upon-procedures engagements as described in § 200.425.*

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Finding 2025 – 008: (continued)

2 CFR Section 200.305 (b)(1), applicable for recipients and subrecipients, states in part:

...Advance payments to a recipient or subrecipient must be limited to the minimum amounts needed and be timed with actual, immediate cash requirements of the recipient or subrecipient in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the recipient or subrecipient for direct program or project costs and the proportionate share of any allowable indirect costs. The recipient or subrecipient must make timely payments to contractors in accordance with the contract provisions.

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office’s *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

Cause: DHS management indicated that risk assessment and monitoring documents were created for use during on-site monitoring of SSBG subrecipients. However, due to staffing issues, on-site monitoring was not performed for all SSBG subrecipients.

Consistent with prior year audits, DHS management noted that there have been no changes to the payment methodology for the Homeless Assistance, Mental Health, Intellectual Disabilities, and Child Welfare components of SSBG. These programs provide subrecipients with advances to comply with Commonwealth law and also to ensure that adequate funds are available to provide services to participants on a timely basis. DHS officials believe that their in-house payment review procedures for the SSBG program are as efficient as administratively feasible and that controls exist in each of the program areas. Without on-site program monitoring visits by funding agency officials, we consider DHS’s limited in-house reviews of subrecipient status reports or other documents to be insufficient to detect potential subrecipient noncompliance, including excess cash violations. DHS does not adjust payments to the subrecipients based on in-house reviews.

Effect: Since DHS does not adequately perform during-the-award monitoring of subrecipients, including the monitoring of subrecipient cash on hand, subrecipients may not be complying with applicable grant requirements and federal regulations, including cash management standards.

Recommendation: DHS should perform risk based during-the-award monitoring procedures for all SSBG subrecipients to ensure timely compliance with all applicable federal regulations. On-site monitoring visits by state officials should be supported by documentation to show the monitoring performed, areas examined, conclusions reached, and that the monitoring was performed in compliance with applicable regulations.

As recommended in previous Single Audits and supported by the United States Department of Health and Human Services, DHS should either consider changing their current subrecipient payment procedures from advancement basis to reimbursement basis or establish procedures to adequately monitor subrecipient cash on hand to ensure it is limited to immediate needs, but no longer than one month. The implementation and strengthening of these controls should provide DHS with reasonable assurance as to compliance with cash management requirements at the subrecipient level.

Agency Response: DHS agrees with this finding.

Questioned Costs: The amount of questioned costs cannot be determined.

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

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Federal Award Findings and Questioned Costs - June 30, 2025

Department of Labor and Industry

Finding 2025 – 009:

ALN 93.558 – Temporary Assistance for Needy Families

Department of Labor and Industry Did Not Perform Adequate Monitoring of Temporary Assistance for Needy Families Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2024-009)

Federal Grant Number(s) and Year(s): 2401PATANF (10/01/2023 – 9/30/2024), 2301PATANF (10/01/2022 – 9/30/2023), 2201PATANF (10/01/2021 – 9/30/2022), 2101PATANF (10/01/2020 – 9/30/2021)

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Compliance Requirement: Subrecipient Monitoring

Condition: During the fiscal year ended June 30, 2025, the Department of Labor and Industry (L&I) paid \$26.9 million in Temporary Assistance for Needy Families (TANF) funding to 22 subrecipients within the Youth Employment and Training (E&T) appropriation (or 6.7 percent) out of total federal TANF expenditures of \$403.4 million reported on the June 30, 2025 Schedule of Expenditures of Federal Awards (SEFA).

Our testing of L&I's during-the-award monitoring of subrecipients for the fiscal year ended June 30, 2025, disclosed that L&I did not conduct on-site monitoring or perform desk reviews of the TANF Youth Development Program (TANF YDP) for three out of five subrecipients selected for testing. Although L&I performed monitoring of these subrecipients specific to another federal program, the monitoring did not include a review of the performance of the subrecipients' TANF YDP programs.

The TANF YDP operations transitioned from the Bureau of Workforce Development Administration (BWDA) to the Bureau of Workforce Partnership and Operations (BWPO) in December 2023. During the fiscal year ended June 30, 2025, BWPO began onsite monitoring of the TANF YDP program on a limited basis by developing a pilot program that BWPO used to monitor the TANF YDP program for three subrecipients. BWPO developed a written TANF YDP Monitoring Plan that outlines plans to expand the monitoring to other TANF YDP subrecipients; however, the plan was not fully implemented as of June 30, 2025.

Criteria: 2 CFR Section 200.332, Requirements for pass-through entities, states:

A pass-through entity must:

(e) Monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved. In monitoring a subrecipient, a pass-through entity must:

(1) Review financial and performance reports.

(2) Ensure that the subrecipient takes corrective action on all significant developments that negatively affect the subaward. Significant developments include Single Audit findings related to the subaward, other audit findings, site visits, and written notifications from a subrecipient of adverse conditions which will impact their ability to meet the milestones or the objectives of a subaward. When significant developments negatively impact the subaward, a subrecipient must provide the pass-through entity with information on their plan for corrective action and any assistance needed to resolve the situation.

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Finding 2025 – 009: (continued)

- (3) Issue a management decision for audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521.
 - (4) Resolve audit findings specifically related to the subaward. However, the pass-through entity is not responsible for resolving cross-cutting audit findings that apply to the subaward and other Federal awards or subawards. If a subrecipient has a current Single Audit report and has not been excluded from receiving Federal funding (meaning, has not been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant agency for audit or oversight agency for audit to perform audit follow-up and make management decisions related to cross-cutting audit findings in accordance with section § 200.513(a)(4)(viii). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.
- (f) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (c) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:
- (1) Providing subrecipients with training and technical assistance on program-related matters;
 - (2) Performing site visits to review the subrecipient's program operations; and
 - (3) Arranging for agreed-upon-procedures engagements as described in §200.425.

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office's *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

Cause: L&I recognized the need to perform during-the-award monitoring procedures for TANF funds passed through for the Youth E&T program, but the updated monitoring procedures were not fully incorporated during the fiscal year ended June 30, 2025.

Effect: TANF subrecipients could be operating in noncompliance with federal regulations without timely detection and correction by L&I management.

Recommendation: L&I should continue to strengthen controls to ensure during-the-award monitoring is being performed for all TANF subrecipients and that the monitoring includes procedures to ensure that subrecipients are in compliance with applicable federal regulations. This should include examining subrecipients' financial records and ensuring that all required Single Audits were obtained by L&I subrecipients.

Agency Response: L&I agrees with this finding. TANF YDP operations transitioned from BWDA to BWPO in January 2023. Due to this transition, BWPO did not conduct on site monitoring of the TANF YDP program in Program Year (PY) 22. BWPO did begin monitoring in PY 23 on a limited basis as a pilot with 3 local areas in September of 2024. BWPO expanded monitoring efforts in 2025 by conducting PY 24 TANF YDP monitoring in alignment with the WIOA Common Measures Data Validation cycle. This enhanced desk review monitoring effort concluded by January 2026. PY is defined as July 1st to June 30th. BWPO will further expand annual monitoring of TANF YDP in alignment with the requirement to monitor all TANF YDP grant subrecipients for PY 25 and moving forward. L&I does ensure single audits are obtained from the TANF YDP sub-recipients as a part of our single audit review.

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Finding 2025 – 009: (continued)

Questioned Costs: The amount of questioned costs cannot be determined.

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

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Federal Award Findings and Questioned Costs - June 30, 2025

Department of Military and Veterans Affairs

Finding 2025 – 010:

ALN 64.015 – Veterans State Nursing Home Care

A Significant Deficiency Exists at the Department of Military and Veterans Affairs related to MatrixCare Application

Federal Grant Number(s) and Year(s): D70314 (7/01/2024 – 6/30/2025), D75114 (7/01/2024 – 6/30/2025), D75214 (7/01/2024 – 6/30/2025), D75514 (7/01/2024 – 6/30/2025), D75814 (7/01/2024 – 6/30/2025), D77814 (7/01/2024 – 6/30/2025)

Type of Finding: Significant Deficiency in Internal Control over Compliance

Compliance Requirement: Other

Condition: The Department of Military and Veterans Affairs (DMVA) uses MatrixCare to track data regarding daily bed counts, moves, additions, and subtractions of nursing home residents needed to calculate the federal reimbursement amount on the monthly invoice. MatrixCare is hosted by the vendor and has a System and Organization Control (SOC) report available. During our audit of the information technology (IT) controls implemented by DMVA we noted the following:

- A current SOC report was not obtained and reviewed; and
- A review of user accounts and associated permissions is not routinely performed.

Criteria: Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office’s *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

Management Directive 325.13, Amended – *Service Organization Controls* states in part:

Evaluate appropriate levels of oversight, as well as determine which monitoring requirements, independent audits, or assessments are needed to confirm the operating effectiveness of a Service Organization’s Internal Control system.

Cause: Established policies and procedures were not followed consistently, which resulted in ineffective internal controls over MatrixCare.

Effect: Inadequate oversight of the service organization increases the risk that residents’ records will not be accurate and complete for determining the monthly federal reimbursements.

Recommendation: We recommend that DMVA implement procedures to complete the following:

- Obtain and review the MatrixCare SOC report at least annually; and
- Review all user accounts for appropriateness of access.

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Finding 2025 – 010: (continued)

Agency Response: The agency concurs the SOC2 report was obtained in 2023, it was not obtained and reviewed during this audit period. The agency concurs no documented routine review of user accounts and associated permissions were performed.

Questioned Costs: None

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

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Federal Award Findings and Questioned Costs - June 30, 2025

Office of Administration – Office for Information Technology

Finding 2025 – 011:

ALN 15.252 – Abandoned Mine Land Reclamation (AMLR)

A Significant Deficiency Exists at the Department of Environmental Protection Related to Segregation of Duties

Federal Grant Number(s) and Year(s): S18AF20004 (11/01/2017 – 10/31/2025), S19AF20004 (12/01/2018 – 11/30/2026), S22AF00017 (1/01/2022 – 12/31/2026), S23AF00002 (11/01/2022 – 10/31/2027), S23AF00022 (10/01/2022 – 9/30/2026), S23AF00028 (11/01/2022 – 10/31/2026), S24AF00026 (11/01/2023 – 10/31/2028)

Type of Finding: Significant Deficiency in Internal Control over Compliance

Compliance Requirement: Other

Condition: As part of testing internal controls over the AMLR program, we performed certain tests of information technology (IT) general controls over a computer application used by the Department of Environmental Protection, Bureau of Abandoned Mine Reclamation (BAMR) to record and process subrecipient expenditures.

During our testing, we identified a lack of segregation of duties whereby 15 application developers had the ability to promote code to production on servers supported by Office of Administration – Office for Information Technology’s (OA-OIT’s) Enterprise Solutions Office and the Infrastructure and Economic Development (I&ED) Delivery Center.

Details of this issue have been provided to OA-OIT’s Enterprise Solutions Office and I&ED Delivery Center for their information and corrective action.

Criteria: Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office’s *Standards for Internal Control in the Federal Government (Green Book)*.

- Green Book Principle 10 – Design Control Activities, states in part:
 - *10.12 Management considers segregation of duties in designing control activity responsibilities so that incompatible duties are segregated and, where such segregation is not practical, designs alternative control activities to address the risk.*
- Green Book Principle 11 – Design Activities for the Information System, states in part:
 - *11.07 General controls facilitate the proper operation of information systems by creating the environment for proper operation of application controls. General controls include security management, logical and physical access, configuration management, segregation of duties, and contingency planning.*
 - *11.09 Management designs control activities over the information technology infrastructure to support the completeness, accuracy, and validity of information processing by information technology. ... Management evaluates the objectives of the entity and related risks in designing control activities for the information technology infrastructure.*
 - *11.11 Management designs control activities for security management of the entity’s information system for appropriate access by internal and external sources to protect the entity’s information system.*

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Federal Award Findings and Questioned Costs - June 30, 2025

Finding 2025 – 011: (continued)

- 11.12 Management designs control activities over access to protect an entity from inappropriate access and unauthorized use of the system. These control activities support appropriate segregation of duties. By preventing unauthorized use of and changes to the system, data and program integrity are protected from malicious intent (e.g., someone breaking into the technology to commit fraud, vandalism, or terrorism) or error.
- 11.14 Management designs control activities to limit user access to information technology through authorization control activities... These control activities may restrict authorized users to the applications or functions commensurate with their assigned responsibilities, supporting an appropriate segregation of duties.

A well-designed system of internal controls dictates effective IT general controls, which necessitates that adequate segregation of duties controls be established and functioning to ensure overall agency operations are conducted in accordance with management's intent.

Cause: The segregation of duties weakness occurred when IT support services for this application were being transitioned from an agency/delivery center-supported service to an OA-OIT Enterprise-supported service in July 2022. Prior to the transition, OA-OIT management was aware that developers had been accessing production servers to make deployments, and this process was retained temporarily until a new process with better segregation of duties could be put in place. In 2023, as outdated servers for the application were being replaced, all deployments became the responsibility of I&ED Delivery Center server and database administrators, and OA-OIT Enterprise management directed their application developers that they would no longer be able to log into production servers and perform direct deployments to production environments. However, due to an oversight when the servers were replaced, the Active Directory group containing 15 application developers remained on the servers with the ability to log into the servers and perform deployments.

Effect: Lack of segregation of duties between development and production contributes to the risk that system actions can occur that are not in accordance with management's intent, including unauthorized changes to the software and noncompliance with federal laws and regulations. Further, without properly functioning controls over segregation of duties, the auditors are precluded from reliance on computer controls in these agencies.

Recommendation: We recommend that OA-OIT and I&ED Delivery Center management implement controls and procedures that segregate the responsibility for the development of programs from the promotion to production environment.

Agency Response: The agency agrees with the facts of the finding. The details of the root cause have been provided in the Cause section above.

Questioned Costs: None

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Office of the Budget – Office of Comptroller Operations

Finding 2025 – 012:

ALN 15.252 – Abandoned Mine Land Reclamation (AMLR)

ALN 93.044, 93.045, and 93.053 – Aging Cluster (including COVID-19)

ALN 93.558 – Temporary Assistance for Needy Families

ALN 93.667 – Social Services Block Grant

**ALN 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)
(including COVID-19)**

A Material Weakness and Material Noncompliance Exist in the Commonwealth’s FFATA Reporting Process

Federal Grant Number(s) and Year(s): S18AF20004 (11/01/2017 – 10/31/2025), S19AF20004 (12/01/2018 – 11/30/2026), S22AF00017 (1/01/2022 – 12/31/2026), S23AF00002 (11/01/2022 – 10/31/2027), S23AF00022 (10/01/2022 – 9/30/2026), S23AF00028 (11/01/2022 – 10/31/2026), S24AF00026 (11/01/2023 – 10/31/2028) 2101PACMC6 (4/01/2021 – 9/30/2024), 2101PAHDC6 (4/01/2021 – 9/30/2024), 2101PASSC6 (4/01/2021 – 9/30/2024), 2201PASTPH (1/01/2022 – 9/30/2025), 2301PAOACM (10/01/2022 – 9/30/2025), 2301PAOAH (10/01/2022 – 9/30/2025), 2301PAOASS (10/01/2022 – 9/30/2025), 2401PAOACM (10/01/2023 – 9/30/2025), 2401PAOAH (10/01/2023 – 9/30/2025), 2401PAOANS (10/01/2023 – 9/30/2025), 2401PAOASS (10/01/2023 – 9/30/2025), 2501PAOASS (10/01/2024 – 9/30/2026), 2501PAOACM (10/01/2024 – 9/30/2026), 2501PAOAH (10/01/2024 – 9/30/2026), 2501PAOANS (10/01/2024 – 9/30/2026) 2501PATANF (10/01/2024 – 9/30/2025), 2401PATANF (10/01/2023 – 9/30/2024), 2301PATANF (10/01/2022 – 9/30/2023), 2201PATANF (10/01/2021 – 9/30/2022), 2101PATANF (10/01/2020 – 9/30/2021) 2501PASOSR (10/01/2024 – 9/30/2026), 2401PASOSR (10/01/2023 – 9/30/2025), 4408DRPAP00000001 (11/27/2018 – 10/31/2026), 4506DRPAP00000001 (1/20/2020 – 12/30/2025), 4618DRPAP00000001 (8/31/2021 – 9/30/2026), 4815DRPAP00000001 (9/11/2024 – 9/11/2028)

Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance

Compliance Requirement: Reporting – Federal Funding Accountability and Transparency Act

Condition: The Federal Funding Accountability and Transparency Act (FFATA) requires the Commonwealth of Pennsylvania to report first-tier subawards of \$30,000 or more to the federal government’s FFATA reporting system. The federal government reporting system was replaced during the audit period. The FFATA Subaward Reporting System (FSRS) was replaced with the System for Award Management (SAM.gov) on March 8, 2025. Necessary FFATA reporting details including the contract amount, contract date, federal award identification number, internal order number, and other information are entered into the Commonwealth’s SAP accounting system when the Commonwealth agencies award subrecipient contracts in order to ensure compliance with the FFATA reporting requirements. Each month, Commonwealth information technology personnel run an extract in SAP to populate a FFATA database and generate a report that summarizes the contract information required for that month’s FFATA reporting. The Office of the Budget, Bureau of Accounting and Financial Management (BAFM), is responsible for overseeing FFATA reporting, including reviewing the summary report to ensure the contract data is complete. Once reviewed, the information is uploaded into the FFATA reporting system to meet reporting requirements. Due to complications with the upgrade to SAM.gov, the Commonwealth was unable to upload the data to the system from March 8 until October 1 when they were able to start filing catch-up submissions. As a result, the Commonwealth was unable to report subawards in compliance with the reporting requirement timeframe.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Finding 2025 – 012: (continued)

Our testing of the FFATA reporting requirements for 40 subaward transactions totaling \$258.9 million from five major programs disclosed that 37 transactions totaling \$227.9 million, or 93 percent of transactions tested, were not reported or reported untimely to SAM.gov as follows:

Program/Cluster	Number of Subawards Not Reported	Number of Subawards Reported Untimely	Amount of Subawards Not Reported/Untimely	Total Subrecipient Expenditures for the Program/Cluster
Abandoned Mine Land Reclamation	5	3	\$7,661,820	\$8,805,130
Aging Cluster	11	-	\$1,738,873	\$66,263,732
Temporary Assistance for Needy Families	2	5	\$1,925,645	\$240,190,098
Social Services Block Grant	4	3	\$3,842,991	\$80,197,321
Disaster Grants – Public Assistance	4	-	\$212,761,589	\$500,461,756
Total	26	11	\$227,930,918	\$895,918,037

Criteria: 2 CFR Section 170, Appendix A to Part 170, Award Term, states in part:

I. Reporting Subawards and Executive Compensation

(a) Reporting of first-tier subawards —

(1) *Applicability.* Unless the recipient is exempt as provided in paragraph (d) of this award term, the recipient must report each subaward that equals or exceeds \$30,000 in Federal funds for a subaward to an entity or Federal agency. The recipient must also report a subaward if a modification increases the Federal funding to an amount that equals or exceeds \$30,000. All reported subawards should reflect the total amount of the subaward.

(2) Reporting Requirements.

- (i) The recipient must report each subaward described in paragraph (a)(1) of this award term to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) at <http://www.fsrs.gov>.
- (ii) For subaward information, report no later than the end of the month following the month in which the subaward was issued. (For example, if the subaward was made on November 7, 2025, the subaward must be reported by no later than December 31, 2025).

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office’s *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

Cause: As of March 8, 2025, the FSRS system was replaced with SAM.gov for reporting subaward data. BAFM indicated that with the transition to SAM.gov, the federal government encountered errors and complications that resulted in delay with reporting subaward data timely. As of February 2026, BAFM continues to refine the interface upload process and identify and file previously unfiled reports.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Finding 2025 – 012: (continued)

Effect: BAFM was unable to timely file subaward information in SAM.gov to satisfy FFATA Reporting requirements. Further, noncompliance with FFATA reporting requirements may recur in future periods if control deficiencies are not corrected to ensure completeness of the subaward information reported in SAM.gov.

Recommendation: We recommend that BAFM continue to work with the federal government to ensure accurate reporting in SAM.gov. Also, BAFM should continue efforts to develop and implement procedures to ensure reporting in SAM.gov is accurate and complete in accordance with FFATA reporting requirements.

Agency Response: BAFM agrees with this finding.

Questioned Costs: None

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Department of Agriculture
Department of Aging

Finding 2025 – 013:

ALN 10.565, 10.568, and 10.569 – Food Distribution Cluster

ALN 93.044, 93.045, and 93.053 – Aging Cluster (including COVID-19)

State Agencies Did Not Identify the Federal Award Information and Applicable Requirements at the Time of the Subaward and Did Not Evaluate Each Subrecipient’s Risk of Noncompliance as Required by the Uniform Grant Guidance (A Similar Condition Was Noted in Prior Year Finding 2024-014)

Federal Grant Number(s) and Year(s): 241PA825Y8005 (10/01/2023 – 9/30/2024), 241PA825Y8105 (10/01/2023 – 9/30/2024), 241PA445Q2204 (10/01/2023 – 9/30/2024), 251PA825Y8105 (10/01/2024 – 9/30/2025), 228PA100I1003 (6/13/2022 – 6/30/2025), 238PA000I1003 (5/25/2023 – 6/30/2025), 2101PACMC6 (4/01/2021 – 9/30/2024), 2101PAHDC6 (4/01/2021 – 9/30/2024), 2101PASSC6 (4/01/2021 – 9/30/2024), 2201PASTPH (1/01/2022 – 9/30/2025), 2301PAOACM (10/01/2022 – 9/30/2025), 2301PAOAH (10/01/2022 – 9/30/2025), 2301PAOASS (10/01/2022 – 9/30/2025), 2401PAOACM (10/01/2023 – 9/30/2025), 2401PAOAH (10/01/2023 – 9/30/2025), 2401PAOANS (10/01/2023 – 9/30/2025), 2401PAOASS (10/01/2023 – 9/30/2025), 2501PAOACM (10/01/2024 – 9/30/2026), 2501PAOAH (10/01/2024 – 9/30/2026), 2501PAOANS (10/01/2024 – 9/30/2026), 2501PAOASS (10/01/2024 – 9/30/2026)

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Compliance Requirement: Subrecipient Monitoring

Condition: The Uniform Guidance in 2 CFR Section 200 applies to the major programs listed above for the fiscal year ended June 30, 2025. Our testing disclosed that the Pennsylvania Department of Agriculture (PDA) did not identify the federal award information in subrecipient award documents. Additionally, PDA, and the Pennsylvania Department of Aging (PDOA) did not adequately evaluate each subrecipient’s risk of noncompliance for the purpose of determining the appropriate subrecipient monitoring related to the subaward. This represents an internal control weakness which could cause subrecipients to be improperly informed of federal award information and may result in inadequate monitoring by the state agencies. Also, it could cause the omission or improper identification of program expenditures on subrecipients’ Schedules of Expenditures of Federal Awards (SEFAs). The following chart shows which federal award information required by 2 CFR Section 200 was omitted (as indicated by “No”) from the subrecipient award documents at the time of the subaward and which major programs did not have a state agency evaluation of each subrecipient’s risk of noncompliance.

Program	Agency	Amount Passed to Subrecipients (in thousands)	Federal Award Identification Number	Evaluation of Subrecipient Risk
Food Distribution Cluster	PDA	\$92,624	No (1)	No
Aging Cluster (including COVID-19)	PDOA	\$66,264	-	No

(The cell with a hyphen in the table indicates that the federal award information was included in the subrecipient award documents or was not applicable for the respective major program.)

(1) The omission of the Federal Award Identification Number pertains to the Commodity Supplemental Food Program subrecipients.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Finding 2025 – 013: (continued)

Criteria: 2 CFR Section 200.332, Requirements for pass-through entities, states in part:

All pass-through entities must:

- (b) *Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the information provided below. A pass-through entity must provide the best available information when some of the information below is unavailable. A pass-through entity must provide the unavailable information when it is obtained. Required information includes:*
 - (1) *Federal award identification.*
 - (iii) *Federal Award Identification Number (FAIN);*
 - (6) *Appropriate terms and conditions concerning closeout of the subaward.*
- (c) *Evaluate each subrecipient's fraud risk and risk of noncompliance with a subaward to determine the appropriate subrecipient monitoring described in paragraph (f) of this section. When evaluating a subrecipient's risk, a pass-through entity should consider the following:*
 - (1) *The subrecipient's prior experience with the same or similar subawards;*
 - (2) *The results of previous audits. This includes considering whether or not the subrecipient receives a Single Audit in accordance with subpart F and the extent to which the same or similar subawards have been audited as a major program;*
 - (3) *Whether the subrecipient has new personnel or new or substantially changed systems; and*
 - (4) *The extent and results of any Federal agency monitoring (for example, if the subrecipient also receives Federal awards directly from the Federal agency).*

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office's *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should identify, analyze, and respond to risks related to achieving the defined objectives. Management should identify, analyze, and respond to significant changes that could impact the internal control system.

Cause: In general, PDA's (Commodity Supplemental Food Program) processes for subrecipient award monitoring did not identify the omission of required elements from the grant awards. In addition, the risk assessments performed by PDA and PDOA were not properly documented or not performed.

Effect: Excluding the federal grant award information at the time of the subaward may cause subrecipients and their auditors to be uninformed about specific program and other regulations that apply to the funds they receive. There is also the potential for subrecipients to have incomplete SEFAs in their Single Audit reports submitted to the Commonwealth, and federal funds may not be properly audited at the subrecipient level in accordance with the Single Audit Act and Uniform Guidance.

Not evaluating each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward may result in subrecipients using the subaward for unauthorized purposes or in violation of the terms and conditions of the subaward, and state agency monitoring would not detect this noncompliance and ensure it is corrected in a timely manner.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Finding 2025 – 013: (continued)

Recommendation: PDA should develop policies and reporting mechanisms to ensure all required federal award information is disseminated to all subrecipients at the time of the subaward to ensure subrecipient compliance with the Uniform Guidance in 2 CFR Section 200 and other applicable federal regulations. In addition, PDA should correspond with applicable subrecipients to ensure they are aware of the correct federal award information and review applicable subaward documents prior to issuance to ensure federal information is complete and accurate. PDA and PDOA should implement procedures to adequately document their evaluation of each subrecipient’s risk of noncompliance as cited in 2 CFR Section 200.332 for purposes of determining the appropriate subrecipient monitoring related to the subaward.

PDA Response: PDA agrees with this finding.

PDOA Response: PDOA agrees with this finding.

Questioned Costs: The amount of questioned costs cannot be determined.

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Various Agencies

Finding 2025 – 014:

ALN 10.565, 10.568, and 10.569 – Food Distribution Cluster

ALN 66.458 – Clean Water State Revolving Fund

ALN 84.425C – COVID-19 – Education Stabilization Fund – GEER Fund

ALN 84.425D – COVID-19 – Education Stabilization Fund – ESSER Fund

ALN 84.425R – COVID-19 – Education Stabilization Fund – CRRSA EANS Program

ALN 84.425U – COVID-19 – Education Stabilization Fund – ARP ESSER

ALN 84.425V – COVID-19 – Education Stabilization Fund – ARP EANS Program

ALN 84.425W – COVID-19 – Education Stabilization Fund – ARP ESSER HCY

ALN 93.044, 93.045, and 93.053 – Aging Cluster (including COVID-19)

A Material Weakness and Material Noncompliance Exist in the Commonwealth’s Subrecipient Audit Resolution Process (A Similar Condition Was Noted in Prior Year Finding 2024-015)

Federal Grant Number(s) and Year(s): 228PA100I1003 (6/13/2022 – 6/30/2025), 241PA825Y8005 (10/01/2023 – 9/30/2024), 241PA825Y8105 (10/01/2023 – 9/30/2024), 241PA445Q2204 (10/01/2023 – 9/30/2024), 238PA000I1003 (5/25/2023 – 6/30/2025), 251PA825Y8105 (10/01/2024 – 9/30/2025), 42000124-0-CS (7/01/2024 – 9/30/2026), 95324301-0-4C (7/01/2023 – 6/30/2023), 95325401-0-4X (7/01/2023 – 6/30/2030), S425W210039 (4/23/2021 – 9/30/2024), S425U210028 (3/24/2021 – 9/30/2024), S425D210028 (1/05/2021 – 9/30/2024), S425C200013 (5/18/2020 – 4/01/2024), S425R210037 (3/13/2020 – 9/30/2024), S425V210037 (11/16/2021 – 9/30/2024), S425C210013 (3/13/2020 – 9/30/2024), 2101PACMC6 (4/01/2021 – 9/30/2024), 2101PAHDC6 (4/01/2021 – 9/30/2024), 2101PASSC6 (4/01/2021 – 9/30/2024), 2201PASTPH (1/01/2022 – 9/30/2025), 2301PAOACM (10/01/2022 – 9/30/2025), 2301PAOAH (10/01/2022 – 9/30/2025), 2301PAOASS (10/01/2022 – 9/30/2025), 2401PAOACM (10/01/2023 – 9/30/2025), 2401PAOAH (10/01/2023 – 9/30/2025), 2401PAOANS (10/01/2023 – 9/30/2025), 2401PAOASS (10/01/2023 – 9/30/2025), 2501PAOASS (10/01/2024 – 9/30/2026), 2501PAOACM (10/01/2024 – 9/30/2026), 2501PAOAH (10/01/2024 – 9/30/2026), 2501PAOANS (10/01/2024 – 9/30/2026)

Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance

Compliance Requirement: Subrecipient Monitoring

Condition: Under the Commonwealth of Pennsylvania's (Commonwealth) implementation of the Single Audit Act, review and resolution of subrecipient Single Audit reports is split into two stages. The Office of the Budget’s Bureau of Accounting and Financial Management (OB-BAFM) ensures the reports meet technical standards through a centralized desk review process. The various funding agencies in the Commonwealth are responsible for making a management decision on each finding within six months of the Federal Audit Clearinghouse’s (FAC) acceptance date for audits subject to Uniform Guidance and to ensure appropriate corrective action is taken by the subrecipient (except for Uniform Guidance audits under U.S. Department of Labor programs which are permitted 12 months for management decisions in accordance with 2 CFR Section 2900.21). Each Commonwealth agency is also responsible for reviewing financial information in each audit report to determine whether the audit included all pass-through funding provided by the agency to ensure pass-through funds were subject to audit. Most agencies meet this requirement by performing Schedule of Expenditures of Federal Awards (SEFA) reconciliations. The agency is also required to adjust Commonwealth records, if necessary.

Our fiscal year ended June 30, 2025 audit of the Commonwealth’s process for review and resolution of subrecipient Single Audits included an evaluation of the Commonwealth’s fiscal year ended June 30, 2024 subrecipient audit universe for audits due for submission to the FAC during the fiscal year ended June 30, 2025. We also evaluated the Commonwealth’s review of 47 subrecipient audit reports with findings in major programs/clusters which were identified on the Commonwealth agencies’ tracking lists during the fiscal year ended June 30, 2025 and required management decisions by Commonwealth agencies.

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Finding 2025 – 014: (continued)

Our testing disclosed the following audit exceptions regarding the Commonwealth agencies' review of subrecipient audit reports:

- Pennsylvania Department of Aging (PDOA): Our testing disclosed that PDOA did not have adequate procedures in place for tracking and making management decisions on findings timely. The time period for making management decisions on findings was approximately 13.4 months to over 19 months after the FAC acceptance date for four out of four audit reports with findings. For the four items selected for testing, PDOA had not completed SEFA reconciliations or performed alternative procedures to ensure the subrecipient SEFAs were accurate so that major programs were properly determined and subjected to audit.
- Department of Agriculture (PDA): The time period for making a management decision on findings was approximately eight months to over 15 months after the FAC acceptance date for four out of six audit reports with findings. There were also delays in PDA's procedures to ensure the subrecipient SEFAs were accurate so that major programs were properly determined and subjected to audit. In addition, our testing disclosed that PDA subgranted federal funds of approximately \$8.9 million to one subrecipient during fiscal year ended June 30, 2024, for which the Single Audit was not submitted to the FAC as of our February 2026 testing date. This was over 10 months after the March 31, 2025 due date.
- Department of Education (PDE): The time period for making a management decision on findings was approximately 6.9 months to over 12 months after the FAC acceptance date for nine out of 30 audit reports with findings selected for testing. Three of the 30 audits reports were improperly classified on PDE's audit tracking list as not having federal award findings. There were additional audit reports with findings listed on PDE's audit tracking list where management decisions were not made timely.
- Pennsylvania Infrastructure Investment Authority (PENNVEST): The time period for making a management decision on findings was over 15.9 months after the FAC acceptance date for one out of three audit reports with findings. For one out of three items selected for testing, PENNVEST had started but had not yet completed reconciling the SEFA to ensure the subrecipient SEFA was accurate so that major programs were properly determined and subject to audit.

Criteria: 2 CFR Section 200.332, Requirements for pass-through entities, states in part:

A pass-through entity must:

- (e) *Monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved. In monitoring a subrecipient, a pass-through entity must:*
 - (2) *Ensure that the subrecipient takes corrective action on all significant developments that negatively affect the subaward. Significant developments include Single Audit findings related to the subaward, other audit findings, site visits, and written notifications from a subrecipient of adverse conditions which will impact their ability to meet the milestones or the objectives of a subaward. When significant developments negatively impact the subaward, a subrecipient must provide the pass-through entity with information on their plan for corrective action and any assistance needed to resolve the situation.*
 - (3) *Issue a management decision for audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521 [Management decision].*
- (g) *Verify that a subrecipient is audited as required by Subpart F [Audit Requirements] of this part.*
- (h) *Consider whether the results of a subrecipient's audit, site visits, or other monitoring necessitate adjustments to the pass-through entity's records.*

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Finding 2025 – 014: (continued)

(i) Consider taking enforcement action against noncompliant subrecipients as described in §200.339 [Remedies for noncompliance] and in program regulations.

In order to carry out these responsibilities properly, good internal control dictates that state pass-through agencies ensure subrecipient Single Audit SEFAs are representative of state payment records each year, and that the related federal programs have been properly subjected to Single Audit procedures.

2 CFR Section 200.512, Report submission, states in part:

(a) *General. (1) The audit, the data collection form, and the reporting package must be submitted within 30 calendar days after the auditee receives the auditor's report(s) or nine months after the end of the audit period (whichever is earlier). The cognizant agency for audit or oversight agency for audit (in the absence of a cognizant agency for audit) may authorize an extension when the nine-month timeframe would place an undue burden on the auditee. If the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day.*

2 CFR Section 200.521, Management decision, states in part:

(a) *General. The management decision must clearly state whether or not the finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments or take other action.*

(d) *Time requirements. The Federal agency or pass-through entity responsible for issuing a management decision must do so within six months of the FAC's acceptance of the audit report. The auditee must initiate and proceed with corrective action as rapidly as possible and corrective action should begin no later than upon receipt of the audit report.*

2 CFR Section 200.505, Remedies for audit noncompliance, states:

In cases of continued inability or unwillingness of a non-federal entity to have an audit conducted in accordance with this part, Federal agencies or pass-through entities must take appropriate action as provided in §200.339 [Remedies for noncompliance].

2 CFR Section 200.339, Remedies for noncompliance, states in part:

The Federal agency or pass-through entity may implement specific conditions if the recipient or subrecipient fails to comply with the U.S. Constitution, Federal statutes, regulations, or terms and conditions of the Federal award. See §200.208 for additional information on specific conditions. When the Federal agency or pass-through entity determines that noncompliance cannot be remedied by imposing specific conditions, the Federal agency or pass-through entity may take one or more of the following actions:

(a) *Temporarily withhold payments until the recipient or subrecipient takes corrective action.*

(b) *Disallow costs for all or part of the activity associated with the noncompliance of the recipient or subrecipient.*

(c) *Suspend or terminate the Federal award in part or in its entirety.*

(d) *Initiate suspension or debarment proceedings as authorized in 2 CFR Part 180 and the Federal agency's regulations, or for pass-through entities, recommend suspension or debarment proceedings be initiated by the Federal agency.*

(e) *Withhold further Federal funds (new awards or continuation funding) for the project or program.*

(f) *Pursue other legally available remedies.*

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Finding 2025 – 014: (continued)

To ensure Commonwealth enforcement of federal regulations for subrecipient noncompliance with audit requirements, Commonwealth Management Directive 325.08, Amended – *Remedies for Recipient Noncompliance with Audit Requirements*, Section 5 related to policy, states in part:

- (a) *Agencies must develop and implement remedial action that reflects the unique requirements of each program...*
- (b) *The remedial action should be implemented within six months from the date the first remedial action is initiated. At the end of the six-month period, the recipient should take the appropriate corrective action or the final stage of remedial action should be imposed on the recipient. Examples of remedial action include, but are not limited to:*
 - (1) *Meeting or calling the recipient to explain the importance and benefits of the audit and audit resolution processes, emphasizing the value of the audit as an administrative tool and the Commonwealth's reliance on an acceptable audit and prompt resolution as evidence of the recipient's ability to properly administer the program.*
 - (2) *Encouraging the entity to establish an audit committee or designate an individual as the single point of contact to:*
 - (a) *Communicate regarding the audit.*
 - (b) *Arrange for and oversee the audit.*
 - (c) *Direct and monitor audit resolution.*
 - (3) *Providing technical assistance to the recipient in devising and implementing an appropriate plan to remedy the noncompliance.*
 - (4) *Withholding a portion of assistance payments until the noncompliance is resolved.*
 - (5) *Withholding or disallowing overhead costs until the noncompliance is resolved.*
 - (6) *Suspending the assistance agreement until the noncompliance is resolved.*
 - (7) *Terminating the assistance agreement with the recipient and, if necessary, seeking alternative entities to administer the program.*

Management Directive 325.09, Amended – *Processing Subrecipient Single Audits of Federal Pass-Through Funds*, Section 7 related to procedures, states in part:

a. Agencies.

- (2) *Evaluate single audit report submissions received from BAFM to determine program purpose acceptability by verifying, at a minimum, that all agency-funded programs are properly included on the applicable financial schedules; that findings affecting the agency contain sufficient information to facilitate a management decision; and that the subrecipient has submitted an adequate corrective action plan.*
- (5) *Issue management decisions relative to audit findings and crosscutting findings assigned to the agency for resolution, as required by 2 CFR §200.521. If responsible for the resolution of crosscutting findings, notify the affected agency or agencies upon resolution of such findings.*
- (7) *Impose or coordinate the imposition of remedial action in accordance with 2 CFR Part 200.339 and Management Directive 325.08 Amended, Remedies for Recipient Noncompliance with Audit Requirements, when subrecipients fail to comply with the provisions of Subpart F.*

COMMONWEALTH OF PENNSYLVANIA

Federal Award Findings and Questioned Costs - June 30, 2025

Finding 2025 – 014: (continued)

Management Directive 325.12, Amended – *Standards for Enterprise Risk Management in Commonwealth Agencies*, adopted the internal control framework outlined in the United States Government Accountability Office's, *Standards for Internal Control in the Federal Government (Green Book)*. The Green Book states in part:

Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Management should remediate identified internal control deficiencies on a timely basis.

Cause: One reason provided by Commonwealth management for untimely audit resolution in the various agencies, including making management decisions, approving corrective action, and performing procedures to ensure the accuracy of subrecipient SEFAs, was either a change in staff or a lack of staff to follow up and process subrecipient audit reports more timely.

Regarding the late and outstanding audit report submission, PDA did not take timely remedial action steps in accordance with 2 CFR Section 200.339 and Commonwealth Management Directive 325.08 in order to ensure compliance with federal audit submission requirements.

Effect: Since required management decisions were not made within six months to ensure appropriate corrective action was taken on audits received from subrecipients, the Commonwealth did not comply with federal regulations, and subrecipients were not made aware of acceptance or rejection of corrective action plans in a timely manner. Further, noncompliance may recur in future periods if control deficiencies are not corrected on a timely basis, and there is an increased risk of unallowable charges being made to federal programs if corrective action and recovery of questioned costs is not timely.

Regarding the SEFA reviews or alternate procedures which are not being performed timely, there is an increased risk that subrecipients could be mispending and/or inappropriately tracking and reporting federal funds over multiple year periods, and these discrepancies may not be properly monitored, detected, and corrected by agency personnel on a timely basis as required.

Finally, additional federal pass-through funds may be unaudited in the future without timely and effective remedial action from Commonwealth agencies to enforce compliance.

Recommendation: We recommend that the above weaknesses that cause untimely subrecipient Single Audit resolution, including untimely management decisions on findings, and untimely review of the SEFA or alternate procedures be corrected to ensure compliance with federal requirements and Commonwealth Management Directives, and to better ensure timelier subrecipient compliance with program requirements.

Commonwealth agencies should promptly pursue outstanding audits and implement remedial action steps on a timely basis in accordance with 2 CFR Section 200.339 and Commonwealth Management Directive 325.08.

PDA Response: PDA agrees with the finding.

PDOA Response: PDOA agrees with the finding.

PDE Response: PDE agrees with the finding.

PENNVEST Response: PENNVEST agrees with the finding.

Questioned Costs: The amount of questioned costs cannot be determined.

The corrective action plan for this finding, if any, has not been reviewed by the auditors. See Corrective Action Plans located elsewhere in this Report.

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Management's Summary Schedule of Prior Audit Findings



Commonwealth of Pennsylvania



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR

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SECRETARY
GOVERNOR'S OFFICE OF THE BUDGET

Summary Schedule of Prior Audit Findings - June 30, 2025

Finding	State Agency/Finding Title/Comments
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FINDINGS FOR THE YEAR ENDED JUNE 30, 2024:

(Please see Corrective Action Plan Schedule for planned corrective actions for any current year repeat findings.)

FINANCIAL STATEMENT FINDINGS

STATEWIDE (SW)

2024-001 Information Technology General Controls Need Improvement (Similar Conditions Were Noted in Prior Year Finding 2023-001)

PLCB took corrective action.

OA-OIT has active projects for Privileged Access management, Active Directory review and Access Review Protocols. Management is working towards a more expedited process for terminations. The finding repeated due to the timing of the CAP.

2024-002 Enterprise-wide Risks Were Not Fully Considered During Implementation of a New Claims Management System Which Resulted in the Inability to Produce Timely Financial Reporting

OB and OA-OIT took corrective action.

L&I has completed the 2025 SWIF monthly financials to date and is currently working on completing the 2025 SWIF Annual Statement. L&I is on track to have all reporting issues in the new system resolved in a manner that will allow the issuance of the 2025 Annual Statement in April 2026.

FEDERAL PROGRAM FINDINGS

DEPARTMENT OF AGING (PDOA)

2024-003 A Material Weakness and Material Noncompliance Exist in the Department of Aging Related to Subrecipient Monitoring (A Similar Condition Was Noted in Prior Year Finding 2023-003)

PDOA developed a new monitoring tool which includes questions regarding invoice verification, on-site monitoring, and checks that the tool AAAs use adheres to all requirements. Finding repeated due to the timing of the CAP.

DEPARTMENT OF AGRICULTURE (PDA)

2024-004 Controls Over the Accountability of Donated Foods Need Improvement (A Similar Condition Was Noted in Prior Year Finding 2023-004)

PDA is still in the process of implementing a plan to address the deficiency in controls over the accountability of donated foods. The new anticipated completion date is 12/31/25. Finding was not reissued.

COMMONWEALTH OF PENNSYLVANIA

Summary Schedule of Prior Audit Findings - June 30, 2025

Finding State Agency/Finding Title/Comments

DEPARTMENT OF AGRICULTURE (PDA) (continued)

2024-005 A Significant Deficiency and Noncompliance Exist in Pennsylvania Department of Agriculture Monitoring of Food Distribution Cluster Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2023-005)

PDA is implementing a plan to update the Field Representative work manual and to complete the needed reviews. The new anticipated completion date is 12/31/25.

DEPARTMENT OF HEALTH (DOH)

2024-006 A Significant Deficiency and Noncompliance Exist at the Department of Health Related to Activities Allowed or Unallowed, Allowable Costs/Costs Principles

Corrective action was taken.

DEPARTMENT OF HUMAN SERVICES (DHS)

2024-007 A Material Weakness and Material Noncompliance Exist at the Department of Human Services Related to Electronic Benefits Transfer Card Security (A Similar Condition Was Noted in Prior Year Finding 2023-012)

DHS reminded district office staff of their responsibilities. Staff were reminded to update the EBT card tracking database with all status changes and to review any updates to the EBT Procedure Manual quarterly. Finding repeated due to timing of CAP implementation.

2024-008 A Material Weakness and Material Noncompliance Exist in the Department of Human Services' Program Monitoring of the Social Services Block Grant Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2023-015)

DHS is conducting subrecipient monitoring based on the results of the risk assessment prepared. DHS determined it is not economically feasible to change the payment methodology currently. Timing of CAP and staffing issues led to the finding being repeated.

DEPARTMENT OF HUMAN SERVICES (DHS) & DEPARTMENT OF LABOR AND INDUSTRY (L&I)

2024-009 Department of Human Services Did Not Validate Financial Information as Part of Its On-Site Monitoring and the Department of Labor and Industry Did Not Perform Monitoring of Temporary Assistance for Needy Families Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2023-014)

DHS took corrective action.

L&I has TANF YDP program monitoring in alignment with the WIOA Data Validation schedule in 2025. CAP completion is still on track.

DEPARTMENT OF LABOR AND INDUSTRY (L&I)

2024-010 A Significant Deficiency Exists at the Department of Labor and Industry Related to the Work Registration Requirement

Corrective action was taken.

COMMONWEALTH OF PENNSYLVANIA

Summary Schedule of Prior Audit Findings - June 30, 2025

Finding State Agency/Finding Title/Comments

DEPARTMENT OF LABOR AND INDUSTRY (L&I) (continued)

2024-011 A Significant Deficiency Exists at the Department of Labor and Industry Related to the Reemployment Services and Eligibility Assessments Program

L&I is in the process of updating the RESEA Desk Guide for staff. Central Office quarterly meetings were conducted in May 2025 with local region field staff. System enhancements for the RESEA Progress Checklist have been entered and are currently in the design phase for a system release in November 2025. Finding was not reissued.

2024-012 A Significant Deficiency Exists at the Department of Labor and Industry Related to Inappropriate Privileged Access

Corrective action was taken.

OFFICE OF THE BUDGET (OB)

2024-013 A Significant Deficiency and Noncompliance Exist at the Office of Budget Operations Related to the Quarterly Project and Expenditure Report (A Similar Condition Was Noted in Prior Year Finding 2023-020)

Corrective action was taken.

STATEWIDE (SW)

2024-014 State Agencies Did Not Identify the Federal Award Information and Applicable Requirements at the Time of the Subaward and Did Not Evaluate Each Subrecipient's Risk of Noncompliance as Required by the Uniform Grant Guidance (A Similar Condition Was Noted in Prior Year Finding 2023-023)

DHS and L&I took corrective action.

DDAP is in the process of developing draft policies to ensure notification is sent to all subrecipients which includes all required federal award information. Due to staff vacancies in the Fiscal Management Division, the preparation of draft policies has been delayed. As vacancies are filled, work will continue to complete these policies and procedures. The new anticipated completion date is 12/31/25. The finding was not reissued to DDAP.

DOH has draft policies and procedures. Discussions and reviews of the proposed draft policies are currently taking place, while being cognizant of changes in federal grant management. The new anticipated completion date is 6/30/26. The finding was not reissued to DOH.

PDA is still in the process of implementing a plan to evaluate subrecipients' risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the sub-award and to provide timely performance check-ins and follow-ups as needed. The new anticipated completion date is 12/31/25.

PDOA drafted a AAA fiscal monitoring process map to formally document the monitoring process which highlights the requirement to disseminate risk assessments. Revised risk assessments were developed to evaluate each subrecipient's risk of noncompliance. Finding repeated due to the timing of the CAP.

COMMONWEALTH OF PENNSYLVANIA

Summary Schedule of Prior Audit Findings - June 30, 2025

Finding State Agency/Finding Title/Comments

STATEWIDE (SW) (continued)

2024-015 A Material Weakness and Material Noncompliance Exist in the Commonwealth's Subrecipient Audit Resolution Process (A Similar Condition Was Noted in Prior Year Finding 2023-024)

DEP and DHS took corrective action.

PDA's documenting of the process of subrecipient Single Audit resolutions is almost complete. The reconciliation process of the program's expenditure values and SAP expenditure values will be documented by the end of September 2025. The remedial action plan for non-filers of the required subrecipient Single Audits is in development and is expected to be completed by April 2026.

PDE conducted a training for the program divisions that included procedures, regulations and best practices concerning subrecipient audit processing. The finding repeated due to the timing of the CAP.

PDOA is in the process of drafting internal procedures regarding this process. The new anticipated completion date is 6/30/26.

FINDINGS FOR THE YEAR ENDED JUNE 30, 2023:

FINANCIAL STATEMENT FINDINGS

STATEWIDE (SW)

2023-001 Information Technology General Controls Need Improvement (Similar Conditions Were Noted in Prior Year Findings 2022-001 and 2022-003)

Refer to Finding 2024-001 for the status of this issue.

FEDERAL PROGRAM FINDINGS

DEPARTMENT OF AGING (PDOA)

2023-003 A Material Weakness and Material Noncompliance Exist in the Department of Aging Related to Subrecipient Monitoring

Refer to Finding 2024-003 for the status of this issue.

DEPARTMENT OF AGRICULTURE (PDA)

2023-004 Controls Over the Accountability of Donated Foods Need Improvement (A Similar Condition Was Noted in Prior Year Finding 2022-010)

Refer to Finding 2024-004 for the status of this issue.

2023-005 A Significant Deficiency and Noncompliance Exist in Pennsylvania Department of Agriculture Monitoring of Food Distribution Cluster Subrecipients

Refer to Finding 2024-005 for the status of this issue.

COMMONWEALTH OF PENNSYLVANIA

Summary Schedule of Prior Audit Findings - June 30, 2025

Finding State Agency/Finding Title/Comments

DEPARTMENT OF HUMAN SERVICES (DHS)

- 2023-012 A Material Weakness and Material Noncompliance Exist at the Department of Human Services Related to Electronic Benefits Transfer Card Security (A Similar Condition Was Noted in Prior Year Finding 2022-006)
- Refer to Finding 2024-007 for the status of this issue.
- 2023-014 Department of Human Services Did Not Validate Financial Information as Part of Its On-Site Monitoring of Temporary Assistance for Needy Families Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2022-008)
- Refer to Finding 2024-009 for the status of this issue.
- 2023-015 A Material Weakness and Material Noncompliance Exist in the Department of Human Services' Program Monitoring of the Social Services Block Grant Subrecipients
- Refer to Finding 2024-008 for the status of this issue.

OFFICE OF THE BUDGET (OB)

- 2023-020 A Significant Deficiency and Noncompliance Exist at the Governor's Budget Office Related to the Quarterly Project and Expenditure Report
- Refer to Finding 2024-013 for the status of this issue.

STATEWIDE (SW)

- 2023-023 State Agencies Did Not Identify the Federal Award Information and Applicable Requirements at the Time of the Subaward and Did Not Evaluate Each Subrecipient's Risk of Noncompliance as Required by the Uniform Grant Guidance (A Similar Condition Was Noted in Prior Year Finding 2022-013)
- Refer to Finding 2024-014 for the status of this issue.
- 2023-024 A Material Weakness and Material Noncompliance Exist in the Commonwealth's Subrecipient Audit Resolution Process (A Similar Condition Was Noted in Prior Year Finding 2022-014)
- Refer to Finding 2024-015 for the status of this issue.

Management's Corrective Action Plans



Commonwealth of Pennsylvania



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR

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Corrective Action Plans - June 30, 2025

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2025-001	OA-OIT	Carolyn McCarthy, Head of Governance, Risk and Compliance	Information Technology General Controls Need Improvement (Similar Conditions Were Noted in Prior Year Finding 2024-001) To remediate this issue, management will conduct training for staff responsible for user access management to reinforce the offboarding process, clarify roles and responsibilities, and emphasize the importance of timely account deactivation. The process will also be documented and incorporated into onboarding materials to reduce reliance on institutional knowledge and prevent recurrence. Training is expected to be completed by June 30, 2026, with ongoing training, as needed.	06/30/2026
2025-002	L&I	Andrew Thomas, SWIF Director Andrew Glover, SWIF CFO	Untimely Account Reconciliations and Recording of Financial Information Resulted in the Inability to Produce Timely Financial Reports (A Similar Condition Was Noted in Prior Year Finding 2024-002) SWIF continues to review our policies and procedures for recording transactions to ensure they align with best practices for real-time data entry. SWIF has impressed upon the staff the importance of timely and accurate transaction recording throughout its life cycle. SWIF will continue working with Deloitte to resolve any remaining reporting issues that are delaying the monthly closing process. SWIF has made tremendous progress in catching up on our monthly reports. We are currently working on November and December of 2025 and expect to have them done by mid-February 2026. This will allow SWIF to complete the 2025 Annual Statement by April 1, 2026. This will position SWIF to meet the March 1, 2027, deadline for the 2026 Annual Report and all subsequent annual reports. Additionally, we will work with Deloitte to streamline the monthly closing process and minimize future delays, integrating any process improvements identified during the system upgrade.	04/01/2026

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2025

**Anticipated
Completion
Date**

**Finding Agency Contact
Person & Title Finding Title/Corrective Action**

<p>2025-003</p>	<p>PDOA</p>	<p>Jason Kavulich, Secretary of Aging</p> <p>Jennifer Beck, Fiscal Management Specialist & PDOA Audit Liaison</p>	<p>A Material Weakness and Material Noncompliance Exist in the Department of Aging Related to Subrecipient Monitoring (A Similar Condition Was Noted in Prior Year Finding 2024-003)</p> <ol style="list-style-type: none"> 1. Revise the written, risk-based subrecipient monitoring procedures in accordance with 2 CFR §200.332. 2. Conduct an annual risk assessment of all 52 AAAs and assign risk ratings. 3. Implement an annual monitoring schedule ensuring coverage of active grant years (FY2024 and forward). 4. Complete catch-up monitoring of all subrecipients not reviewed for FY2024 and FY2025 within 12 months. 5. Revise monitoring checklists to require review of current-year expenditures to verify compliance. 6. Improve centralized tracking system for monitoring activities and audit reviews. 7. Confirm supervisory approval following completion of monitoring reports. 8. Provide mandatory staff training on 45 CFR §1321.9 and 2 CFR Part 200 requirements. 9. Develop quarterly compliance reporting to leadership to ensure ongoing oversight. 	<p>06/30/2026</p>
<p>2025-004</p>	<p>PDOA</p>	<p>Jason Kavulich, Secretary of Aging</p> <p>Jennifer Beck, Fiscal Management Specialist & PDOA Audit Liaison</p>	<p>A Material Weakness and Material Noncompliance Exist in the Department of Aging’s Maintenance of Effort Certification Reporting Process</p> <ol style="list-style-type: none"> 1. Recalculate the three-year MOE average and FFY 2024 qualifying state expenditures and reconcile to the Commonwealth’s accounting records. 2. Submit a corrected MOE Certification to HHS/ACL and formally notify the federal awarding agency of the error. 3. Revisit the existing MOE procedure that defines qualifying expenditures, calculation methodology, documentation standards, and retention requirements. 4. Review current multi-level review process. 5. Implement quarterly MOE monitoring and variance analysis comparing projected state expenditures to required MOE levels, with reporting to leadership. 6. Provide mandatory training to fiscal staff on MOE requirements and 45 CFR §1321.9(c)(2)(vi). 	<p>06/30/2026</p>

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2025

**Anticipated
Completion
Date**

Finding Agency Contact Person & Title Finding Title/Corrective Action

<p>2025-005</p>	<p>PDOA</p>	<p>Jason Kavulich, Secretary of Aging Jennifer Beck, Fiscal Management Specialist & PDOA Audit Liaison</p>	<p>A Material Weakness and Material Noncompliance Exist in the Department of Aging’s Program Income and Reporting Process</p> <ol style="list-style-type: none"> 1. Strengthen internal controls over program income. 2. Recalculate FFY 2024 program income balances and submit amended report. 3. Implement a tracking log to actively monitor program income reporting levels. 4. Improve reporting of cost sharing and program income to ensure it is in compliance with federal regulations. 5. Provide training to PDA and AAA fiscal staff on program income. 	<p>06/30/2026</p>
	<p>OB-OCO</p>	<p>Jamie Jerosky, BAFM Assist. Director Matt Stubb, BAFM Integrated Financial Service Mgr. Carol Waite, BAFM Mgr.</p>	<p>As of 02/25/2026, the procedures for preparing the Federal Financial Report (SF-425) were updated to include additional controls for reviewing and certifying the report prior to submission. These updates require the Pennsylvania Department of Aging to verify all program income forms to ensure they are relevant and applicable to the reporting period covered by the SF-425.</p> <p>The updated procedures also require PDOA to conduct a full review of the SF-425 and certify its accuracy via email before the Bureau of Accounting and Financial Management completes the submission in PMS.</p> <p>By June 30, 2026, OCO will further enhance the accuracy of financial reporting on the SF-425 by updating the Title III working papers to incorporate linked data sources and formulas, reducing reliance on manually entered figures.</p>	<p>06/30/2026</p>
<p>2025-006</p>	<p>PDA</p>	<p>Caryn Long Earl, Director, Bureau of Food Assistance</p>	<p>A Significant Deficiency and Noncompliance Exist in Pennsylvania Department of Agriculture Monitoring of Food Distribution Cluster Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2024-005)</p> <p>The Pennsylvania Department of Agriculture, Bureau of Food Assistance is in the process of developing a procedure to ensure that a report of review findings is submitted to each eligible agency after their review. This procedure will also ensure that, if the review resulted in findings that require implementation of corrective actions, additional monitoring is conducted until the eligible agency has successfully taken actions to mitigate the deficiencies.</p>	<p>09/30/2026</p>

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2025

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2025-007	DHS	Jeanette Coulston, Staff Assistant to BOO Director	<p>A Material Weakness and Material Noncompliance Exist at the Department of Human Services Related to Electronic Benefits Transfer Card Security (A Similar Condition Was Noted in Prior Year Finding 2024-007)</p> <p>DHS' Office of Income Maintenance (OIM) Bureau of Operations (BOO): BOO will take the following actions to address the finding:</p> <p>The BOO will work with the EBT Project Office to create a dedicated section in the OIM EBT Procedure Manual to document the exceptions identified during the single audit each year. This addition will ensure that all offices are informed of the issues, can review their processes and procedures, and can make any necessary corrections. It will be added by April 1, 2026. The below items will be included:</p> <p>Knowing how to reconcile:</p> <ul style="list-style-type: none"> • The Roles/Permissions Report from the EBT Card Tracking Database. • The Daily Log Summary and Weekly log report in the EBT Card Tracking Database. <p>Reminders of the following concerns:</p> <ul style="list-style-type: none"> • EBT card creation should end, and all cards should be logged in the EBT Card Tracking Database, by the close of business each day. No cards should be created after 5 PM. • When to use EBT Card Tracking Paper Logs, and how long to maintain them. • Ensuring that, upon receipt of each shipment of EBT cards and related supplies, the shipping manifest date is stamped. • Mailing locally created EBT cards directly to customers on the same day that the card is created. • Timeframes for completing and submitting the EPPIC EBT Systems Application forms to the OIM EBT Project Office. • Timeframe to deactivate user access in the EBT Card Tracking Database. • Timeframe for when to enter a shipment received into the EBT Card Tracking Database. <p>The BOO, in conjunction with the EBT Project Office, distributes attestation forms to staff each year, typically during the first quarter. Employees are required to sign and return these forms to confirm that they have reviewed the procedure manual. The form for this cycle was sent out in February 2026.</p> <p>OIM Bureau of Program Evaluation (BPE) Division of Corrective Action (DCA): BPE will take the following actions to address the finding:</p> <p>The DCA conducts EBT Card Security reviews at every CAO and District Office that issues EBT cards. These reviews are conducted on a 3-year rotation to ensure compliance with documented policies and</p>	04/01/2026
		Amira Milikin, DCA Director		

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2025

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2025-007 (cont'd)		Bryan Bumpers, EBT Project Officer	procedures. Annually, BPE/DCA EBT Headquarters staff provide training to DCA Income Maintenance Examiners in both field offices, to ensure awareness of any policy or procedure changes, prior to the start of EBT reviews. This training occurred on October 2, 2025. The current rotation schedule spans FFY 2025 through FFY 2027.	
2025-008	DHS	Kelly Graham, Director, Division of Financial Reporting	<p>A Material Weakness and Material Noncompliance Exist in the Department of Human Services' Program Monitoring of the Social Services Block Grant Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2024-008)</p> <p>The Bureau of Financial Operations (BFO) will continue conducting during-the-award subrecipient monitoring for the SSBG based on the results of the documented risk assessment. As it relates to the cash management portion of the finding, given the relatively small amount of funds involved and the number of counties affected, DHS has determined that it is not economically feasible to change the payment methodology at this time.</p>	06/30/2026
2025-009	L&I	Dorraine Rauch, Division Chief	<p>Department of Labor and Industry Did Not Perform Adequate Monitoring of Temporary Assistance for Needy Families Subrecipients (A Similar Condition Was Noted in Prior Year Finding 2024-009)</p> <p>TANF Youth Development Program (TANF YDP) operations transitioned from the Bureau of Workforce Development Administration (BWDA) to the Bureau of Workforce Partnerships and Operations (BWPO) in January 2023. Due to this transition, BWPO did not conduct onsite monitoring of the TANF YDP program in program year (PY) 2022. BWPO did begin onsite monitoring in program year 2023 on a limited basis as a pilot with 3 local areas in September of 2024. BWPO conducted expanded monitoring efforts for PY 2024 by aligning TANF YDP monitoring with the WIOA Common Measures Data Validation cycle (larger areas are monitored annually with smaller areas monitored on a 3-year rotating schedule). PYs are July 1st to June 30th. TANF YDP PY 2024 monitoring concluded by January 2026. BWPO provided written communication to local areas within 45 days post monitoring to issue results, concerns, recommendations, and corrective actions as needed. During PY 2025, July 1, 2025 to June 30, 2026, L&I will monitor all 22 subrecipients for both program and fiscal compliance to ensure that the goals and objectives of the subaward are achieved. This will be done in coordination between BWPO and BWDA. Monitoring will then be completed annually. Currently, BWDA does reconcile the TANF Youth Development Partnership Statement of Expenditures of Financial Awards for each of the subrecipients' single audits, reviews all TANF findings related to the TANF YDP funds and ensures all single audits are received - issuing audit management determinations. The overall goal of monitoring activities is to ensure that TANF YDF funding is used for authorized purposes by subrecipients, in compliance with Federal statutes and regulations, and that the TANF YDP program is being implemented in accordance with current</p>	06/30/2026

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2025

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2025-009 (cont'd)			<p>PA Dept. of Labor & Industry’s policies and procedures.</p> <p>BWPO in collaboration with BWDA plans to begin monitoring TANF YDP activities via enhanced desk review monitoring in the spring of 2026 for PY 2025. This effort will be ongoing and moving forward for every subsequent program year either onsite or by enhanced desk review monitoring. PY 2025 monitoring will be completed by 6/30/26 with results issued as a written communication within 45 days of the monitoring completion date.</p>	
2025-010	DMVA	Barbara L. Raymond, Director, Bureau of Veterans Homes	<p>A Significant Deficiency Exists at the Department of Military and Veterans Affairs related to MatrixCare Application</p> <p>The MatrixCare SOC2 report for 2025 was received on Friday February 6, 2026 and was reviewed by the Agency’s Information Technology (IT) Executive. The Agency’s Information Technology Executive/designee will educate the Information Technology Project Manager to request from Matrixcare on an annual basis the SOC2 report and will review compliance criteria such as data security and confidentiality. An Agency Information Technology Resource Account will be developed for the SOC2 report/s to be sent to for review. Future contracts will request the vendor to automatically send SOC2 reports to the established IT Resource Account.</p> <p>Matrixcare security templates for Healthcare Record access have been updated by the Change Management Committee and activated by the Nurse Administrator-Technical for all users to ensure appropriate access. The Agency’s Human Resources Field Operations Manager/designee will educate the State Veterans Home (SVH) Human Resources Assistants of their responsibilities for on-boarding and off-boarding documentation for employee hires, classification changes and separations and of the DMVA’s Onboarding and Offboarding User Guides. The SVH Human Resource Analyst/designee will provide to the SVH Privacy Officer/designee all employee actions monthly to review for appropriate Healthcare Record access, the Bureau of Veterans Homes (BVH) Healthcare Record Management protocol will be updated to reflect this audit. The Agency’s Privacy Officer/designee will review 25% of all employee actions annually during each State Veterans’ Homes’ Facility Performance Assessment (FPA) to verify appropriate Healthcare Record access, the BVH FPA Protocol will be updated to reflect this audit.</p>	04/15/2026

COMMONWEALTH OF PENNSYLVANIA

Corrective Action Plans - June 30, 2025

Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2025-011	OA-OIT	Carolyn McCarthy, Head of Governance, Risk and Compliance	<p>A Significant Deficiency Exists at the Department of Environmental Protection Related to Segregation of Duties</p> <p>Alfred Yaney, Director, Enterprise e-Grants, opened a remedy ticket requesting to have the e-Grants group removed from the list of permitted groups. Screenshots were provided to the auditors as evidence of all the groups that have Admin access to validate the requested group had been removed.</p>	Completed
2025-012	OB-OCO	<p>Jamie Jerosky, BAFM Assistant Director</p> <p>Matt Stubb, BAFM Integrated Financial Service Manager</p>	<p>A Material Weakness and Material Noncompliance Exist in the Commonwealth's FFATA Reporting Process</p> <p>BAFM has collaborated with the U.S. General Services Administration (GSA) and the Commonwealth of Pennsylvania's Office of Administration, Office of Information Technology (OA-IT) to develop a new API solution to centrally file FFATA subrecipient reports following the federal system change implemented in March 2025.</p> <p>As of December 2025, BAFM restored the monthly centralized FFATA filing process. BAFM currently performs review and validation of all monthly records, and OA-IT submits the reports on BAFM's behalf. Within six months (by June 2026), BAFM will work with OA-IT to finalize and refine the API process to enable BAFM to independently submit reports without OA-IT assistance.</p> <p>Due to federal system limitations on daily API request volumes, reconciliation of statewide records not filed during the transition period has been challenging. Within six months (by June 2026), BAFM will evaluate available data retrieval options to complete reconciliation of records not filed during the changeover period. Any identified missed filings will be submitted as part of this reconciliation process.</p>	06/30/2026
2025-013	PDA	Caryn Long Earl, Director, Bureau of	<p>State Agencies Did Not Identify the Federal Award Information and Applicable Requirements at the Time of the Subaward and Did Not Evaluate Each Subrecipient's Risk of Noncompliance as Required by the Uniform Grant Guidance (A Similar Condition Was Noted in Prior Year Finding 2024-014)</p> <p>The Pennsylvania Department of Agriculture (PDA) Bureau of Food Assistance has already put the following steps in place to address this deficiency and noncompliance finding.</p> <p>1. As of August 2025, PDA has a documented process to evaluate each subrecipient's risk of</p>	Completed

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Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2025-013 (cont'd)		Food Assistance	<p>noncompliance with federal statutes, regulations, and the term and conditions of the subaward for purposes of determining appropriate subrecipient monitoring. The evaluation process looks at Key Performance Indicators – such as leadership tenure, prior incidents of food spoilage, complaints, values of USDA Foods and USDA administrative funding – to determine the need for additional or more frequent monitoring.</p> <p>2. As of October 2025, PDA has implemented a system to document the evaluation of each subrecipient's risk of noncompliance. This system was used to determine if agencies would receive monitoring reviews throughout Federal Fiscal Year 2026 (October 1, 2025 - September 30, 2026).</p> <p>3. PDA has been providing FAINs and providing information on applicable requirements at the time of subawards to all TEFAP counties and agencies. However, as the cited CSFP contract pre-dated this finding, the information had not been properly provided to our subrecipient. This has been rectified as of February 2026.</p>	
	PDOA	<p>Jason Kavulich, Secretary of Aging</p> <p>Jennifer Beck, Fiscal Management Specialist & PDOA Audit Liaison</p>	<p>1. Revise the risk-based subrecipient monitoring procedures.</p> <p>2. Establish a formal risk-tiered monitoring framework requiring enhanced oversight for high-risk subrecipients.</p> <p>3. Update written policies and procedures to meet standards.</p> <p>4. Conduct annual internal compliance review of a sample of subawards.</p>	06/30/2026
2025-014	PDA	<p>Nichole Nedinsky, Fiscal Management Specialist, PDA Audit Coordinator</p>	<p>A Material Weakness and Material Noncompliance Exist in the Commonwealth's Subrecipient Audit Resolution Process (A Similar Condition Was Noted in Prior Year Finding 2024-015)</p> <p>PDA is creating mechanisms to fulfill the requirements for pass-through entities within 4 to 6 months after FAC acceptance date of the audit, which include:</p> <p>1. Evaluation of single audit report submissions received from BAFM to determine program purpose acceptability by verifying, at a minimum, that all agency-funded programs are properly included on the applicable financial schedules; that findings affecting the agency contain sufficient information to facilitate a management decision; and that the subrecipient has submitted an adequate corrective action plan.</p>	06/30/2026

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Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2025-014 (cont'd)			<p>2. Issuance of management decisions relative to audit findings and crosscutting findings assigned to the agency for resolution, as required by 2 CFR §200.521.</p> <p>3. To impose or coordinate the imposition of remedial action in accordance with 2 CFR Part 200.339 and Management Directive 325.08 Amended, Remedies for Recipient Noncompliance with Audit Requirements, when subrecipients fail to comply with the provisions of Subpart F.</p> <p>PDA has developed a SEFA reconciliation process that will ensure that the SEFA is accurate, allowing for major programs to be properly identified and subjected to audit.</p> <p>PDA is developing a procedure for all programs to follow for any entity that is in non-compliance with the audit requirements and is failing to comply with the provisions of Subpart F.</p>	
	PDOA	<p>Jason Kavulich, Secretary of Aging</p> <p>Jennifer Beck, Fiscal Management Specialist & PDOA Audit Liaison</p>	<p>1. Strengthen written policies and procedures governing subrecipient monitoring and audit resolution.</p> <p>2. Update the audit tracker to proactively ensure the six-month management decision due date is met.</p> <p>3. Implement segregation of duties between reconciliation review and management decision issuance.</p> <p>4. PDOA will develop and utilize a standardized SEFA Review Checklist.</p> <p>5. Conduct annual Uniform Guidance training for fiscal staff.</p>	06/30/2026
	PDE	<p>Clayton P. Carroll, II, Audit Coordinator</p>	<p>Implemented 2/17/26: Audit Coordinator verifies finding status of all single audit packages uploaded to the PDE single audit SharePoint site.</p> <p>Implemented 7/1/25: PDE audit section has begun to enforce timely audit submission by using remedial action within its authority as granted by federal guidelines.</p> <p>Implemented 7/1/25: PDE has expanded the resources available through the use of the compliance office for audit finding review and resolution in an effort to resolve all audit findings timely.</p>	Completed
	PENNVEST	<p>Steven Anspach, Dep. Exec. Dir.</p>	<p>PENNVEST will maintain a comprehensive tracking list that contains all equivalency projects that have disbursed any funds during the audit period. All those projects will be reviewed and reconciled to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward, including the timely submission of the single audit to the FAC. Once received, PENNVEST</p>	Completed

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Finding	Agency	Contact Person & Title	Finding Title/Corrective Action	Anticipated Completion Date
2025-014 (cont'd)		Heather Brookmyer, Loan Service Officer Robert Boos, Exec. Dir.	will reconcile the SEFA to ensure the information is accurate. PENNVEST will complete the reconciliation within six months of the FAC's acceptance of the audit report and respond to the subrecipient with any adverse findings.	

Appendix



Commonwealth of Pennsylvania

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APPENDIX - Legend of Abbreviations - June 30, 2025

The following legend presents descriptions of abbreviations that appear throughout the report:

<u>ABBREVIATION</u>	<u>DESCRIPTION</u>
AA	Adoption Assistance
ACA	Affordable Care Act
ACF	Administration for Children and Families
ACFR	Annual Comprehensive Financial Report
ACH	Automated Clearing House
AG	Department of the Auditor General
AGRI	Department of Agriculture
AICPA	American Institute of Certified Public Accountants
ALN	Assistance Listing Number
AMLR	Abandoned Mine Land Reclamation
ARC	Appalachian Regional Commission
ARP	American Rescue Plan
ARP EANS	American Rescue Plan – Emergency Assistance to Non-Public Schools
ARP ESSER	American Rescue Plan – Elementary and Secondary School Emergency Relief
ARP ESSER HCY	American Rescue Plan – Elementary and Secondary School Emergency Relief – Homeless Children and Youth
BAFM	Bureau of Accounting and Financial Management
BAMR	Bureau of Abandoned Mine Reclamation
BCSE	Bureau of Child Support Enforcement
BFA	Bureau of Food Assistance
BFD	Bureau of Food Distribution
BFO	Bureau of Financial Operations
BFS	Basic Financial Statements
BOA	Bureau of Audits
BPS	Bureau of Payable Services
BQA	Bureau of Quality Assurance
BUCD	Bureau of Unemployment Compensation Disbursements
BWDA	Bureau of Workforce Development Administration
BWPO	Bureau of Workforce Partnership and Operations
CACFP	Child and Adult Care Food Program
C&E	Conservation and Environment
CAO	County Assistance Office
CAP	Corrective Action Plan
CARES	Coronavirus Aid, Relief, and Economic Security Act
CCDBG	Child Care and Development Block Grant
CCDF	Child Care and Development Fund
CCIS	Child Care Information Service
CCYA	County Children and Youth Agency
CDBG	Community Development Block Grants
CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
CHIP	Children’s Health Insurance Program
CIS	Client Information System
CMIA	Cash Management Improvement Act of 1990
CMS	Centers for Medicare and Medicaid Services
CNC	Child Nutrition Cluster
CN-PEARS	Child Nutrition Program Electronic Application and Reimbursement System
COPPAR	Commonwealth of Pennsylvania Policy and Procurement Action Request
COSO	Committee of Sponsoring Organizations of the Treadway Commission
COVID-19	Coronavirus Disease 2019

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Legend of Abbreviations (Continued) - June 30, 2025

<u>ABBREVIATION</u>	<u>DESCRIPTION</u>
CRRSA EANS	Coronavirus Response and Relief Supplemental Appropriations Act, 2021 – Emergency Assistance to Non-Public Schools Program
CSE	Child Support Enforcement
CUEC	Complementary User Entity Controls
CVA	Crime Victim Assistance
CWDS	Commonwealth Workforce Development System
CWSRF	Capitalization Grants for Clean Water State Revolving Funds
DCED	Department of Community and Economic Development
DDAP	Department of Drug and Alcohol Programs
DEP	Department of Environmental Protection
DFN	Division of Food and Nutrition
DFP	Division of Federal Programs
DGS	Department of General Services
DHS	Department of Human Services
DMVA	Department of Military and Veterans Affairs
DOC	Department of Corrections
DOD	United States Department of Defense
DOE	United States Department of Energy
DOH	Department of Health
DOI	United States Department of Interior
DOJ	United States Department of Justice
DOL	United States Department of Labor
DOR	Department of Revenue
DOT	United States Department of Transportation
EBT	Electronic Benefits Transfer
EBR	Employment, Banking, and Revenue
eCIS	Electronic Client Information System
ED	United States Department of Education
ELC	Epidemiology and Laboratory Capacity for Infectious Disease
EPA	United States Environmental Protection Agency
EPPIC	Electronic Payment Processing and Information Control
ERA	COVID - 19 – Emergency Rental Assistance Program
ESEA	Elementary and Secondary Education Act
ESF	Education Stabilization Fund
ESSER	Elementary and Secondary School Emergency Relief Fund
FAC	Federal Audit Clearinghouse
FAIN	Federal Award Identification Number
FC	Foster Care – Title IV-E
FDC	Food Distribution Cluster
FEMA	Federal Emergency Management Agency
FFATA	Federal Funding Accountability and Transparency Act
FFY	Federal Fiscal Year
FHWA	Federal Highway Administration
FNS	Food and Nutrition Service
FSRS	FFATA Subaward Reporting System
FYE	Fiscal Year Ended
GAAP	Generally Accepted Accounting Principles
GAO	United States Government Accountability Office
GBO	Governor’s Budget Office
GEER	Governor’s Emergency Education Relief Fund
HEERF	Higher Education Emergency Relief Fund
HEERF FIPSE	Higher Education Emergency Relief Fund – Fund for the Improvement of Postsecondary Education Formula Grant
HHS	United States Department of Health and Human Services

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Legend of Abbreviations (Continued) - June 30, 2025

<u>ABBREVIATION</u>	<u>DESCRIPTION</u>
HIV	Human Immunodeficiency Virus
HPC	Highway Planning and Construction
HSGP	Homeland Security Grant Program
HRSA	Health Resources and Services Administration
HUD	United States Department of Housing and Urban Development
ID	Identification
IDEA	Individuals with Disabilities Education Act
IES	Integrated Enterprise System
IESO	Integrated Enterprise Systems Office
IRS	Internal Revenue Service
IT	Information Technology
ITP	Information Technology Policy
ITS	Integrated Tax System
L&I	Department of Labor and Industry
LCB	Liquor Control Board
LEA	Local Educational Agency
LIHEAP	Low-Income Home Energy Assistance Program
LWIB	Local Workforce Investment Board
MA	Medical Assistance Program
MD	Management Directive
MDL	Management Decision Letter
MLF	Motor License Fund
MOE	Maintenance of Effort
MOU	Memorandum of Understanding
MPR	Monthly Performance Report
NCCI	Medicaid National Correct Coding Initiative
NCLB	No Child Left Behind
NEU	Non-Entitlement Units
NGMO	National Guard Military Operations and Maintenance Projects
NIST	National Institute of Standards and Technology
NSLP	National School Lunch Program
NSP	Neighborhood Stabilization Program
OA	Office of Administration
OB	Office of the Budget
OBO	Office of Budget Operations
OCDEL	Office of Child Development and Early Learning
OCO	Office of Comptroller Operations
OCYF	Office of Children, Youth, and Families
ODP	Office of Developmental Programs
OGC	Office of General Counsel
OIG	Office of Inspector General
OIM	Office of Income Maintenance
OIT	Office for Information Technology
OMB	Office of Management and Budget
OPD	Operational Documents
OPD-AA	Office of Policy Development Alternatives to Abortion
OVR	Office of Vocational Rehabilitation
PCCD	Pennsylvania Commission on Crime and Delinquency
PDA	Pennsylvania Department of Agriculture
PDE	Pennsylvania Department of Education
PDOA	Pennsylvania Department of Aging
PDOT	Pennsylvania Department of Transportation
PEMA	Pennsylvania Emergency Management Agency
PennDOT	Pennsylvania Department of Transportation

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Legend of Abbreviations (Continued) - June 30, 2025

<u>ABBREVIATION</u>	<u>DESCRIPTION</u>
PENNVEST	Pennsylvania Infrastructure Investment Authority
PID	Pennsylvania Insurance Department
PIMS	Pennsylvania Information Management System
PLCB	Pennsylvania Liquor Control Board
PTE	Pass-through entity
PUA	Pandemic Unemployment Assistance
RESEA	Reemployment Services and Eligibility Assessments
RFP	Request for Proposal
RS-VR	Rehabilitation Services – Vocational Rehabilitation Grants to States
SABG	Block Grants for Prevention and Treatment of Substance Abuse
SAS	Statement on Auditing Standards
SDLC	Systems Development Life Cycle
SEA	State Educational Agency
SEFA	Schedule of Expenditures of Federal Awards
SFSP	Summer Food Service Program for Children
SLFRF	Coronavirus State and Local Fiscal Recovery Funds
SNAP	Supplemental Nutrition Assistance Program
SOC	System and Organization Controls
SSA	United States Social Security Administration
SSAE	Statements on Standards for Attestation Engagements
SSBG	Social Services Block Grant
SW	Statewide Finding
SWIF	State Workers' Insurance Fund
TANF	Temporary Assistance for Needy Families
TRE	United States Department of the Treasury
UC	Unemployment Compensation
UCMS	Unemployment Compensation Modernization System
UG	Uniform Guidance
UI	Unemployment Insurance
USDA	United States Department of Agriculture
USDE	United States Department of Education
USDHS	United States Department of Homeland Security
USDOJ	United States Department of Justice
USDOL	United States Department of Labor
VA	United States Department of Veterans Affairs
WIA	Workforce Investment Act
WIC	Women, Infants, and Children
WIOA	Workforce Innovation and Opportunity Act
WPRS	Worker Profiling and Reemployment Services