

KNOX COUNTY, TENNESSEE

**Schedules of Expenditures of Federal Awards
and State Financial Assistance
and Reports as Required by
Government Auditing Standards and
the Uniform Guidance**

For the Year Ended June 30, 2021



KNOX COUNTY, TENNESSEE

**Schedules of Expenditures of Federal Awards and State Financial Assistance
and Reports as Required by *Government Auditing Standards* and the Uniform Guidance**

For the Year Ended June 30, 2021

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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

INDEPENDENT AUDITOR’S REPORT

Honorable Mayor, County Commissioners and Audit Committee
 of Knox County, Tennessee
 Knoxville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, budgetary comparison statement of the general fund and the aggregate remaining fund information of Knox County, Tennessee (the “County”) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated March 3, 2022. Our report includes a reference to other auditors who audited the financial statements of The Development Corporation of Knox County (“TDC”) and the Knox Education Foundation (“KEF”), discretely presented component units reported in the financial statements of the County, as described in our report on County’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’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 County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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.



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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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001, 2021-002, and 2021-004 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2021-003.

Knox County, Tennessee's Responses to Findings and the Corrective Action Plan

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and the Corrective Action Plan. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
March 3, 2022



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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

INDEPENDENT AUDITOR’S REPORT

Honorable Mayor, County Commissioners and Audit Committee
 of Knox County, Tennessee
 Knoxville, Tennessee

Report on Compliance for Each Major Federal Program

We have audited Knox County, Tennessee’s (the “County”) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2021. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

The County’s basic financial statements include the operations of The Development Corporation of Knox County (the “TDC”) and the Knox Education Foundation (“KEF”), discretely presented component units reported in the financial statements of the County. Our audit, described below, did not include the operations of TDC or KEF because these entities engaged other auditors to perform their audits. Based upon the reports of the other auditors, TDC and KEF did not receive any federal awards for the year ended June 30, 2021.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the County’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-005, that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and the Corrective Action Plan. The County's response was not subjected to the 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 Schedules of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and the Tennessee Comptroller of the Treasury

We have audited the financial statements of Knox County, Tennessee as of and for the year ended June 30, 2021, and have issued our report thereon dated March 3, 2022 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and the Tennessee Comptroller of the Treasury and are 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 schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
March 3, 2022

KNOX COUNTY, TENNESSEE (PRIMARY GOVERNMENT)
KNOX COUNTY BOARD OF EDUCATION (DISCRETELY PRESENTED COMPONENT UNIT)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Knox County, Tennessee (Primary Government)				
U.S. Department of Agriculture:				
Passed through Tennessee Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children:				
Women, Infants, and Children (WIC)	10.557	GG-19-60821-00	\$ 1,789,238	
Women, Infants, and Children (WIC) - Peer	10.557	GG-19-60821-00		<u>94,202</u>
Total U.S. Department of Agriculture				<u>1,883,440</u>
U.S. Department of Housing and Urban Development:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grant	14.218	B-19-UC-47-0001		87,644
Community Development Block Grant - Coronavirus	14.218	B-20-UC-47-0001	\$ <u>732,739</u>	<u>859,836</u>
Total CDBG - Entitlement Grants Cluster			<u>732,739</u>	<u>947,480</u>
HOME Investment Partnerships Programs	14.239	M-20-UC-47-0204		18,612
HOME Investment Partnerships Programs	14.239	M-18-UC-47-0204		70,948
HOME Investment Partnerships Programs	14.239	M-17-UC-47-0204		281,158
HOME Investment Partnerships Programs	14.239	M-16-UC-47-0204	<u>393,295</u>	<u>41,190</u>
Total HOME Investment Partnerships Programs			<u>393,295</u>	<u>411,908</u>
Total U.S. Department of Housing and Urban Development			<u>1,126,034</u>	<u>1,359,388</u>
U.S. Department of Justice:				
Bureau of Justice Assistance Grant Program:				
COVID - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1870		<u>28,832</u>
Federal Bureau of Investigation:				
Law Enforcement Assistance - FBI Field Police Training	16.302	N/A		5,512
Law Enforcement Assistance - FBI Field Police Training	16.302	N/A		<u>11,066</u>
Total Federal Bureau of Investigation				<u>16,578</u>
Office of Community Oriented Policing Services:				
Organized Crime Drug Enforcement Task Force	16.710	SN-TNE-277H		3,627
Organized Crime Drug Enforcement Task Force	16.710	SN-TNE-255		289
Organized Crime Drug Enforcement Task Force	16.710	M-21-D74-O-000069		7,600
TBI Dangerous Drugs Task Force (funding from COPS program)	16.710	M-21-D74-O-000069		38,853
Public Safety Partnership and Community Policing Grants	16.710	M-19-D74-O-000064		<u>760</u>
Total Office of Community Oriented Policing Services:				<u>51,129</u>
Passed Through Tennessee Office of Criminal Justice Programs:				
Crime Victim Assistance	16.575	2015-VA-GX-0018		52,282
Bulletproof Vest Partnership Program	16.607	N/A		16,786
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-JAG-1002		74,370
Comprehensive Opioid Abuse Site	16.838	EDISON 67726		<u>48,846</u>
Total Passed Through Tennessee Office of Criminal Justice Programs				<u>192,284</u>
Criminal Division:				
Equitable Sharing Program	16.922	N/A		<u>73,560</u>
Total U.S. Department of Justice				<u>362,383</u>

The accompanying notes are an integral part of this schedule.

KNOX COUNTY, TENNESSEE (PRIMARY GOVERNMENT)
KNOX COUNTY BOARD OF EDUCATION (DISCRETELY PRESENTED COMPONENT UNIT)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Knox County, Tennessee (Primary Government) (Continued):				
U.S. Department of Transportation:				
Federal Highway Administration:				
Passed through Tennessee Department of Transportation:				
Highway Planning & Construction Cluster:				
Highway Planning and Construction - Traffic Signal Coordination Project	20.205	Agreement No. 140234	\$	55,730
Highway Planning and Construction - Traffic Signal Coordination Project	20.205	Agreement No. 190383		44,420
Knox Blount Greenways - TAP (Z300) MAP 21 CMAQ Project	20.205	Agreement No. 060148		<u>404,028</u>
Total Highway Planning & Construction Cluster				<u>504,178</u>
Total Federal Highway Administration				<u>504,178</u>
National Highway Traffic Safety Administration:				
Passed through Tennessee Department of Transportation:				
Alcohol Open Container Requirements	20.607	Z-20-THS147		13,350
Alcohol Open Container Requirements	20.607	Z-21-THS152		<u>64,117</u>
Total National Highway Traffic Safety Administration				<u>77,467</u>
Total U.S. Department of Transportation				<u>581,645</u>
U.S. Treasury:				
COVID - Emergency Rental Assistance Program:				
Emergency Rental Assistance (ERA 2) Program	21.023			8,100
Emergency Rental Assistance (ERA 1) Program	21.023			<u>2,117,978</u>
Total Emergency Rental Assistance Program				<u>2,126,078</u>
Passed through Tennessee Comptroller of the Treasury:				
COVID - Coronavirus Relief Fund	21.019			<u>7,279,613</u>
Total U.S. Treasury				<u>9,405,691</u>
Institute of Museum and Library Services:				
Passed through Tennessee Secretary of State:				
Grants to States:				
Library Services - Materials for the Disadvantaged	45.310	30501-00221-02		6,400
LSTA - TN ST. Archives CARES Act Grant	45.310	LS-246560-OLS-20		14,940
LSTA - TN ST. Archives Equipment Grant	45.310	LS-246189-OLS-20		<u>16,475</u>
Total Institute of Museum and Library Services				<u>37,815</u>
Environmental Protection Agency:				
Office of Air and Radiation:				
Air Pollution Control Program Support:				
Air Pollution Control Program Support - Section 105	66.001	A-00408315-3		249,588
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act Section 103	66.034	PM-96497615		<u>271,552</u>
Total Office of Air and Radiation				<u>521,140</u>
Office of Water:				
Passed through Tennessee Department of Agriculture:				
Nonpoint Source Implementation Grant	66.460	EDISON 61491		21,149
Nonpoint Source Implementation Grant	66.460	EDISON 53196		<u>25,197</u>
Total Office of Water				<u>46,346</u>
Total Environmental Protection Agency				<u>567,486</u>

The accompanying notes are an integral part of this schedule.

KNOX COUNTY, TENNESSEE (PRIMARY GOVERNMENT)
KNOX COUNTY BOARD OF EDUCATION (DISCRETELY PRESENTED COMPONENT UNIT)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Knox County, Tennessee (Primary Government) (Continued):				
U.S. Department of Energy:				
Passed Through Tennessee Emergency Management Agency:				
Environmental Monitoring/Cleanup, Cultural and Resource Management Emergency Response Research, Outreach, Technical Analysis	81.214	34101-18919	\$	15,972
Environmental Monitoring/Cleanup, Cultural and Resource Management Emergency Response Research, Outreach, Technical Analysis	81.214	34101-28820		<u>20,421</u>
Total U.S. Department of Energy				<u>36,393</u>
U.S. Election Assistance Commission:				
Passed through Tennessee Secretary of State:				
COVID - HAVA Election Security Grants	90.404	30501-03020-47		443,050
Help America Vote Act Requirements Payments	90.401	30501-01919-47		<u>23,810</u>
Total U.S. Election Assistance Commission				<u>466,860</u>
U.S. Department of Health and Human Services:				
Passed through Tennessee Department of Health:				
Centers for Disease Control and Prevention:				
Project Grants and Cooperative Agreements for Tuberculosis	93.116	GG-20-62637-00		<u>104,251</u>
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	GG-20-62524-01		<u>64,632</u>
Immunization Cooperative Agreements Grants Program:				
COVID - Immunizations and Vaccines for Children Program	93.268	GG-20-64807-03		29,958
Immunizations and Vaccines for Children Program:	93.268	EDISON 63183		44,644
Immunizations and Vaccines for Children Program:	93.268	GG-20-64807-03		<u>282,076</u>
Total Immunization Cooperative Agreements Grants Program				<u>356,678</u>
Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements:				
Public Health Emergency Preparedness (HPP)	93.074	GG-18-54852		515,898
Healthcare Preparedness Activities (HPP)	93.074	GG-18-54852		<u>67,414</u>
Total Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreement				<u>583,312</u>
National State Based Tobacco Control Programs	93.305	GG-20-65195-00		<u>19,419</u>
COVID - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	GG-20-68340-01		<u>4,125,602</u>
Public Health Emergency Preparedness (PHEP) and Emergency Response	93.354	34349-97620		<u>20,936</u>
Sexually Transmitted Disease Prevention and Control Grants:				
Preventative Health Services - STD Control Grant - Infertility Control Programs	93.977	GG-21-69355-00		<u>98,233</u>

The accompanying notes are an integral part of this schedule.

KNOX COUNTY, TENNESSEE (PRIMARY GOVERNMENT)
KNOX COUNTY BOARD OF EDUCATION (DISCRETELY PRESENTED COMPONENT UNIT)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Knox County, Tennessee (Primary Government) (Continued):				
U.S. Department of Health and Human Services (Continued):				
Passed through Tennessee Department of Health (Continued):				
Centers for Disease Control and Prevention (Continued):				
Injury Prevention and Control Research and State and Community Based Programs				
High Impact Area	93.136	GG-21-68151-00		\$ 185,773
Injury Prevention and Control Research	93.136	GG-19-61955-00		<u>38,673</u>
Total Injury Prevention and Control Research Programs				<u>224,446</u>
Preventative Health and Health Services Block Grant	93.758	GG-21-65617-00		<u>65,000</u>
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs:				
Child Fatality Review Services	93.946	GG-19-61166-00		<u>6,268</u>
Improving Social Determinants of Health - Getting Further Faster Project	93.421	00-FE-2060-03		<u>25,000</u>
Total Centers for Disease Control and Prevention				<u>5,693,777</u>
Health Resources and Services Administration:				
Evidence Based Home Visitation Services	93.870	GG-20-64136-02		<u>561,732</u>
HIV Care Formula Grant Program:				
COVID - HIV Care Formula Grant - RWPB	93.917	GG-20-67823-00		27,505
HIV Care Formula Grant - Elastography	93.917	GG-20-67823-01		661,288
HIV Care Formula Grant - Centers of Excellence	93.997	GG-21-69355-00		<u>132,831</u>
Total HIV Care Formula Grant Program				<u>821,624</u>
Maternal and Child Health Services Block Grants to the States:				
Maternal and Child Health Services Block Grant - Breast and Cervical Cancer	93.994	GG-21-65621-00		57,993
Maternal and Child Health Services Block Grant - Community Health Access and Navigation in Tennessee (CHANT) Program	93.994	GG-21-67737-00		221,200
Maternal and Child Health Services Block Grant - Family Planning Services	93.994	GG-2167737-00		<u>426,107</u>
Total Maternal and Child Health Services Grants				<u>705,300</u>
Total Health Resources and Services Administration Programs				<u>2,088,656</u>
Total Passed through Tennessee Department of Health				<u>7,782,433</u>
Passed through Tennessee Department of Human Services:				
Office of Administration for Children and Families:				
Child Support Enforcement	93.563	CONTRACT 44948		206,739
Child Support Enforcement	93.563	EDISON 57961		<u>290,036</u>
Total Child Support Enforcement				<u>496,775</u>
Total Passed through TN Department of Human Services				<u>496,775</u>
Total U. S. Department of Health and Human Services				<u>8,279,208</u>
U.S. Department of Homeland Security:				
Federal Emergency Management Agency:				
Preparing for Emerging Threats and Hazards:				
Program to Prepare Communities for Complex Coordinated Terrorist Attacks	97.133	EMW-2016-GR-00186		<u>101,381</u>

The accompanying notes are an integral part of this schedule.

KNOX COUNTY, TENNESSEE (PRIMARY GOVERNMENT)
KNOX COUNTY BOARD OF EDUCATION (DISCRETELY PRESENTED COMPONENT UNIT)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Knox County, Tennessee (Primary Government) (Continued):				
U.S. Department of Homeland Security (Continued):				
Passed through Tennessee Department of Military:				
COVID - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	EDISON 66504-38186	\$	10,626
Homeland Security Grant Program	97.067	EDISON 61219-29443		182,609
Homeland Security Grant Program	97.067	34101-15220		70,085
Total Passed through Tennessee Department of Military				<u>263,320</u>
Total U.S. Department of Homeland Security				<u>364,701</u>
Executive Office of the President:				
Passed through Laurel County, Kentucky:				
High Intensity Drug Trafficking Areas Program	95.001	G21AP0001A		35,176
High Intensity Drug Trafficking Areas Program	95.001	GP-20-AP0001A		22,978
Total Executive Office of the President				<u>58,154</u>
Total Federal Awards-Knox County Primary Government			\$	<u><u>1,126,034</u></u> \$ <u><u>23,403,164</u></u>
Knox County Board of Education (Component Unit):				
U.S. Department of Agriculture:				
Passed through Tennessee Department of Agriculture:				
Food and Nutrition Service:				
Child Nutrition Cluster:				
National School Lunch Program	10.555	2021		79,679
COVID - National School Lunch Program - Seamless Summer Feeding Option	10.555	2021		17,307,900
National School Lunch Program - Non-Cash Assistance - Commodities	10.555	2021		1,908,882
National School Lunch Program - State Contracted Warehouse Rebate	10.555	2021		111,155
Total Child Nutrition Cluster				<u>19,407,616</u>
Child & Adult Care Food Program	10.558	2021		81,859
Fresh Fruit and Vegetable Program	10.582	2021		295,875
Total Food and Nutrition Service				<u>19,785,350</u>
Total U.S. Department of Agriculture				<u>19,785,350</u>
U.S. Department of Justice:				
Office of Community Oriented Policing Services:				
Public Safety Partnership and Community Policing Grants	16.710	SE-TNE-277H		89,316
Total U.S. Department of Justice				<u>89,316</u>
U.S. Treasury:				
Passed through Tennessee Department of Education:				
COVID - Coronavirus Relief Fund:				
LEA Reopening and Support	21.019	2021		125,000
Technology Connectivity	21.019	2021		138,758
Total U.S. Treasury				<u>263,758</u>

The accompanying notes are an integral part of this schedule.

KNOX COUNTY, TENNESSEE (PRIMARY GOVERNMENT)
KNOX COUNTY BOARD OF EDUCATION (DISCRETELY PRESENTED COMPONENT UNIT)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Knox County Board of Education (Component Unit) (Continued)				
U.S. Department of Education:				
Passed through Tennessee Department of Education:				
Office of Elementary and Secondary Education:				
Title I Grants to Local Education Agencies:				
Title I Grants to Local Education Agencies	84.010A	2021		\$ 15,033,487
Title I Part D Grants to Local Education Agencies	84.010A	2021		140,865
Title I Neglected	84.010A	2021		78,661
District Priority School Improvement Grant	84.010A	2021		<u>334,661</u>
Total Title I Grants to Local Education Agencies				<u>15,587,674</u>
Education for Homeless Children and Youth Programs	84.196A	2021		<u>83,800</u>
Mentor Matters Training Initiative	84.372A	2021		<u>29,160</u>
Experienced Professional in the Classroom	84.015D	2021		<u>112,301</u>
Elementary & Secondary School Emergency Relief Fund:				
COVID - Elementary & Secondary School Emergency Relief Fund	84.425D	2021		3,802,330
COVID - Elementary & Secondary School Emergency Relief Fund 2.0	84.425D	2021		<u>8,809,140</u>
Total Elementary & Secondary School Emergency Relief Fund				<u>12,611,470</u>
Twenty-First Century Community Learning Centers:				
Twenty-First Century Community Learning Centers	84.287	2021		271,807
Twenty-First Century Community Learning Centers	84.287	2018		321,560
Twenty-First Century Community Learning Centers	84.287	2017		<u>99,260</u>
Total Twenty-First Century Community Learning Centers				<u>692,627</u>
English Language Acquisition State Grants Program:				
English Language Acquisition State Grants Title III	84.365A	2021		417,649
English Language Acquisition State Grants Title III - Immigrant	84.365A	2021		<u>14,677</u>
Total English Language Acquisition State Grants Program				<u>432,326</u>
Supporting Effective Instruction State Grant:				
Quality State Grants - Title II - Part A	84.367A	2021		<u>2,162,369</u>
Student Support and Academic Enrichment Program:				
Title IV	84.424A	2021		<u>1,340,533</u>
Total Office of Elementary and Secondary Education				<u>33,052,260</u>
Office of Special Education and Rehabilitative Services:				
Special Education Cluster (IDEA):				
Special Education - Grants to States (IDEA, Part B)	84.027A	2021		13,672,895
Individuals with Disabilities Education Act - Partnership for Systemic Change (K-12)	84.027A	2021		78,883
Individuals with Disabilities Education Act - Partnership for Systemic Change (Preschool)	84.027A	2021		6,458
Individuals with Disabilities Education Act - Discretionary (6-21)	84.027A	2021		22,126
Individuals with Disabilities Education Act - Innovation	84.027A	2021		8,641
Special Education - Preschool Grants (IDEA Preschool)	84.173A	2021		<u>384,469</u>
Total Special Education Cluster (IDEA)				<u>14,173,472</u>

The accompanying notes are an integral part of this schedule.

**KNOX COUNTY, TENNESSEE (PRIMARY GOVERNMENT)
KNOX COUNTY BOARD OF EDUCATION (DISCRETELY PRESENTED COMPONENT UNIT)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Knox County Board of Education (Component Unit) (Continued)				
U.S. Department of Education (Continued):				
Passed through Tennessee Department of Education (Continued):				
Office of Career, Technical, and Adult Education:				
Career and Technical Education - Basic Grants to States:				
Career and Technical Education - Carl Perkins	84.048A	2021		\$ <u>927,283</u>
Office of Innovation and Improvement:				
Education Innovation and Research	84.411C	2021		<u>308,502</u>
Total Passed through Tennessee Department of Education				<u>48,461,517</u>
Passed through Tennessee Department of Human Services:				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	34570-51319		<u>71,470</u>
Total U.S. Department of Education				<u>48,532,987</u>
U.S. Department of Health and Human Services:				
Passed through Tennessee Department of Education:				
Child Care and Development Fund (CCDF) Cluster:				
Child Care and Development Block Grant	93.575	2021		<u>150,443</u>
Total U.S. Department of Health and Human Services				<u>150,443</u>
Total Federal Awards--Knox County Board of Education Component Unit				<u>68,821,854</u>
Total Federal Awards - Knox County Primary Government and Board of Education Component Unit			<u>\$ 1,126,034</u>	<u>\$ 92,225,018</u>

The accompanying notes are an integral part of this schedule.

KNOX COUNTY, TENNESSEE (PRIMARY GOVERNMENT)
KNOX COUNTY BOARD OF EDUCATION (DISCRETELY PRESENTED COMPONENT UNIT)
STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2021

Program Title	Identifying Number	State Expenditures
Knox County, Tennessee (Primary Government):		
Tennessee Department of Mental Health and Substance Abuse Services:		
Tennessee Certified Recovery Court Program	EDISON 42632	\$ 255,000
Tennessee Certified Juvenile Recovery Court Program	EDISON 42633	<u>412</u>
Total Tennessee Department of Mental Health and Substance Abuse Services		<u>255,412</u>
Tennessee Department of Corrections:		
Community Corrections (CAPP)	GG-11-32083-01	533,216
Tennessee Department of Corrections (TDOC) Offender Re-Entry	EDISON 61795	63,682
Tennessee Department of Corrections (TDOC) Offender Re-Entry	EDISON 61795	<u>12,164</u>
Total Tennessee Department of Corrections		<u>609,062</u>
Tennessee Office of Criminal Justice Programs:		
Mental Health Transport Grant (SHERIFF)	EDISON 42199	<u>510,181</u>
Tennessee Commission on Children and Youth:		
Children Services - Youth Officer	EDISON 61478	<u>9,000</u>
Tennessee Department of State:		
Division of Elections Help America Vote Act	EDISON 65312	1,190
Division of Elections Help America Vote Act	EDISON 66388	<u>88,631</u>
Total Tennessee Department of State		<u>89,821</u>
Tennessee Secretary of State:		
General Library Services	30501-00221-02	<u>45,500</u>
Tennessee Department of Health:		
Project Diabetes	Z-19198617	130,647
Tuberculosis Nursing	GG-21-67691-00	409,942
Prenatal Presumptive Eligibility Expan	GG-21-65621-00	29,100
Evidence Based Home Visitation	GG-20-64136-02	951
Sexually Transmitted Disease - Hepatitis C	GG-21-69355-00	33,324
Sexually Transmitted Disease - Hepatitis C	GG-20-65207-00	73,067

The accompanying notes are an integral part of this schedule.

KNOX COUNTY, TENNESSEE (PRIMARY GOVERNMENT)
KNOX COUNTY BOARD OF EDUCATION (DISCRETELY PRESENTED COMPONENT UNIT)
STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2021

Program Title	Identifying Number	State Expenditures
Knox County, Tennessee (Primary Government) (Continued):		
Tennessee Department of Health (Continued):		
Immunization	GG-20-64807-03	\$ 84,897
Family Planning	GG-18-54442-00	35,616
Oral Prevention - Schools	GG-21-67872-00	260,000
Adolescent Pregnancy	GG-21-65188-00	45,861
Fetal Infant Mortality	GG-21-65620-01	116,263
Baby & Me - Tobacco Prevention	GG-20-62507-02	66,205
Tobacco Prevention Advertising (Tobacco Settlement)	Not Available	19,903
Community Health Access and Navigation in Tennessee	GG-20-62507-00	<u>608,700</u>
Total Tennessee Department of Health		<u>1,914,476</u>
Tennessee Department of Children's Services:		
Office of Child Safety - Safe Baby Court	EDISON 56272	196,591
Safety Net Emergency Dental	Z-20-202048	<u>91,356</u>
Total Tennessee Department of Children's Services		<u>287,947</u>
Tennessee Department of Military:		
FEMA 4514 Covid Emergency Disaster Grant	EDISON 66504-38186	<u>3,542</u>
Tennessee Department of Human Services:		
Helen Ross McNabb InnerChange	EDISON ID 56479	<u>183,392</u>
Tennessee Department of Agriculture - Forestry Division:		
Litter Grant	Z-21-LIT047	<u>168,600</u>
Tennessee Department of Transportation:		
Rail Preservation Grant Program for Track, Rail, and Crossing Rehabilitation	Z-20-RR20-21A	619,063
Rail Preservation Grant Program for Track, Rail, and Crossing Rehabilitation	Z-20-RR20-29	66,810
Rail Preservation Grant Program for Track, Rail, and Crossing Rehabilitation	Z-20-RR20-30A	<u>1,138,190</u>
Total Tennessee Department of Transportation		<u>1,824,063</u>
Total State Financial Assistance - Knox County Primary Government		<u>\$ 5,900,996</u>

The accompanying notes are an integral part of this schedule.

**KNOX COUNTY, TENNESSEE (PRIMARY GOVERNMENT)
KNOX COUNTY BOARD OF EDUCATION (DISCRETELY PRESENTED COMPONENT UNIT)**

STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2021

Program Title	Identifying Number	State Expenditures
Knox County Board of Education (Component Unit):		
Tennessee Department of Education:		
School Nutrition Program	2020-2021	\$ 238,386
Coordinated School Health	2020-2021	185,000
Voluntary Pre-Kindergarten	2020-2021	2,056,565
Safe Schools Act	2020-2021	1,130,393
Governor's Civics Seal Mini-Grant	2020-2021	4,137
Early Postsecondary Expansion	2020-2021	9,720
Middle School CTE Start-Up	2020-2021	6,736
Middle School CTE Career Expansion	2020-2021	19,284
Middle School STEM Start-Up	2020-2021	17,300
Summer Learning Camps	2020-2021	3,184,923
Bridge Camp	2020-2021	899,011
STREAM Mini-Camps	2020-2021	624,368
Learning Camps Transportation	2020-2021	698,775
Learning Camps Transportation	2020-2021	<u>25,423</u>
Total Tennessee Department of Education		<u>9,100,021</u>
Tennessee Department of Health:		
Project Diabetes Initiative Service	2019-2020	<u>15,000</u>
Total State Financial Assistance - Knox County Board of Education (Component Unit)		<u>9,115,021</u>
Total State Financial Assistance		<u>\$ 15,016,017</u>

KNOX COUNTY, TENNESSEE

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

For the Year Ended June 30, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and of state financial assistance (the "Schedules") include the federal award and state grant activity of Knox County, Tennessee (the "County"), and its discretely presented component unit, Knox County Board of Education, (the "Board"), for the year ended June 30, 2021. The information in these Schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Tennessee Comptroller of the Treasury. Because the Schedules present only a selected portion of the operations of Knox County, Tennessee, they are not intended to and do not present the financial position, changes in net position, or cash flows of Knox County, Tennessee.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedules are reported on the modified-accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown in the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in the prior years.

NOTE 3 - LOANS OUTSTANDING

The County had the following loan funding balances outstanding at June 30, 2021. All of the loan additions are represented by program expenditures, but only a portion comes from the federal grant with the remainder from program income:

<u>Cluster / Program Title</u>	<u>CFDA Number</u>	<u>FY 2021 Loan Funding</u>	<u>Outstanding Balance</u>
Community Development Block Grant	14.218	\$ 0	\$ 9,368
HOME Investment Partnerships Programs	14.239	0	523,444

NOTE 4 - SUBRECIPIENTS

Of the expenditures presented in the schedule of expenditures of federal awards, the County provided federal awards to subrecipients as follows:

	<u>CFDA Number</u>	<u>Amounts Provided to Subrecipients</u>
Community Development Block Grant	14.218	\$ 732,739
HOME Investment Partnerships Programs	14.239	393,295
Total Subrecipient Awards		\$ <u>1,126,034</u>

NOTE 5 - NON-CASH ASSISTANCE

The Board is the recipient of certain federal awards that do not result in cash receipts or disbursements, including distributions of U.S. Department of Agriculture (USDA) Food Commodities, which are valued based on a USDA price list obtained from the Tennessee Department of Agriculture.

NOTE 6 - INDIRECT COSTS

A number of the County's and Board's federal and state funded programs allow indirect costs to be charged and include them as a line item in the grant budget. However, if the grant budget does not specifically provide for indirect costs to be charged, none of the indirect costs are reported as costs to the grantor nor are the costs included or presented in the schedules of expenditures of federal awards and of state financial assistance. The County and Board have elected not to use the ten percent de minimis indirect rate as allowed under the Uniform Guidance.

NOTE 7 - DONATED PERSONAL PROTECTIVE EQUIPMENT (Unaudited)

During the emergency period of COVID-19 pandemic, federal agencies and recipients have donated personal protective equipment (PPE) purchased with federal assistance funds to the County for the COVID-19 response. The donated PPE was mostly provided without any compliance or reporting requirements or assistance listing (AL#) information from the donors. Such donated PPE has not been included on the Schedules. The County estimates the fair market value of the PPE at the time of receipt to be approximately \$860.

KNOX COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?

yes no

Major federal programs for Knox County, Tennessee for the year ended June 30, 2021 are:

<u>Program Name</u>	<u>CFDA#</u>
COVID - Coronavirus Relief Fund	21.019
COVID - Emergency Rental Assistance Program	21.023
COVID - Elementary & Secondary School Emergency Relief (ESSER)	84.425D
COVID - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323

Dollar threshold used to distinguish between Type A & Type B programs: \$2,766,751

Auditee qualified as low-risk auditee? yes no

KNOX COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2021

Section II - Financial Statement Findings

2021-001 Health Department Supplies and Inventory

Criteria or Specific Requirement - Internal control procedures over supply inventory and receiving should include procedures whereby supplies are received securely and inventoried accurately, payments are made only for supplies received, and inventory on hand is updated accurately and timely to reflect usage.

Condition - While performing an agreed-upon procedures engagement for the health department, we became aware of three internal control deficiencies related to supplies and inventory at the health department. First, there is limited segregation of duties in the building operations department where one employee is able to order items without secondary approval and also receives those items on the loading dock. Second, receiving documentation for supplies and medication is not adequately documented and/or reconciled to vendor invoices prior to payment. Third, there is no department-wide inventory control system.

Cause and Effect - The issues related to building operations are due to limited personnel and limited cross training. This result is a lack of segregation of duties which increases the likelihood that misappropriation could occur and be undetected. The issue related to receiving documentation for supplies is caused by lack of training among operations and finance personnel. The documentation issue increases the chance that a vendor could be paid for supplies or medications that are not properly received by the health department. The department-wide inventory control system issue is due to lack of investment in technology. This situation results in departments keeping inventories manually and does not provide for accurate or timely inventory counts.

Recommendations - We recommend the following:

1. The Health Department should implement a policy requiring that the individual ordering supplies should be different than the individual receipting items on the loading dock.
2. The Health Department implement a process to verify receipt of items ordered prior to payment of any invoice.
3. The Health Department consider a department-wide inventory system to track the flow of supplies and medications from receipt to end user across the entire department.

Management's Response - The Health Department has already implemented several processes related to the recommendations:

1. A policy has been implemented to ensure the individual ordering supplies is different than the individual receiving the items. The Health Department is cross training more staff to ensure proper segregation of duties.
2. A process for receiving items has been put into place to ensure what has been ordered is what has arrived. In the event a packing slip is not included, the original order form or invoice is used as a receiver and is signed for accordingly. If an order is placed and prepaid, for example an Amazon order, the purchasing receipt is used as the receiving document and requires signature before month end reconciliations are complete.
3. Knox County procurement is currently working on a potential county-wide inventory system. As that process is worked through, the Health Department has created an Ordering and Receiving Manual that has uniform supporting document flows that track supplies and medications across the entire department.

KNOX COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2021

Section II - Financial Statement Findings (Continued)

2021-002 Bank Reconciliations in Criminal Court Clerk's Office

Criteria or Specific Requirement - Key internal control procedures over cash should include performing bank reconciliations for all bank accounts on a timely basis following the end of the month. In addition, Tennessee Code Annotated (T.C.A.) Section 9-2-102 requires local governments subject to the audit requirements of the Comptroller of the Treasury to close their official accounting records and to have those records available for audit no later than two months after the close of their fiscal year.

Condition - During our audit of the Criminal Court Clerk's office, we became aware of the fact that bank reconciliations for all four of the Criminal Court Clerk's office's bank accounts had not been performed during the fiscal year. Failure to reconcile the bank accounts during the year also prevented the Criminal Court Clerk's office from having certain accounting records available for the external auditors.

Cause and Effect - There was a change in personnel in the position of Chief Financial Officer (CFO) of the Criminal Court Clerk's office in December 2020. The new CFO did not perform the bank reconciliations during the remainder of the fiscal year. The result was the Criminal Court Clerk's office did not have a key internal control operating during a majority of the fiscal year and did not have their accounting records ready for audit within the required timeframe.

Recommendations - We recommend the Criminal Court Clerk's office complete all bank reconciliations for the year ended June 30, 2021 as soon as possible. We also recommend that the Criminal Court Clerk begin to review the monthly bank reconciliations in a timely manner to ensure that such reconciliations are being completed.

Management's Response - Management agrees with the Criteria or Specific requirement, Condition, Cause and Effect and the Recommendations. The Clerk agrees he will review the monthly bank reconciliations in a timely manner to ensure that such reconciliations are being completed. He has instructed the current staff to complete the bank reconciliations for the year ending June 30, 2021 as soon as possible.

KNOX COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2021

Section II - Financial Statement Findings (Continued)

2021-003 Timely Deposit of Receipts

Criteria or Specific Requirement - Tennessee Code Annotated (T.C.A.) Section 5-8-207 requires County officials to deposit in the bank within three (3) days after the receipt of any public funds.

Condition - During our audit we noted several instances of deposits not being made within three days, specifically in the Codes department.

Cause and Effect - Several departments closed or furloughed staff as a result of the COVID-19 pandemic. This reduced the ability of these offices to comply with state requirements requiring prompt deposits.

Recommendations - All receipts should be deposited in the bank within three days of receipt. Departments and fee offices should cross train staff to perform bank deposit duties and ensure adequate personnel are on hand to make the bank deposit.

Management's Response - Knox County Engineering acknowledges this finding and erroneously believed the deposit rule was relaxed to five days during the Covid pandemic. We have instructed all staff on this error and clarified all deposits shall be made within three days of receipt. In addition, we have trained multiple employees on the procedure to create redundancy in the event multiple employees are out of the office sick.

2021-004 Reviewing Voids in Knox County General Sessions Court Clerk's Office

Criteria or Specific Requirement - Internal control procedures over cash receipting should include a proper review of void transactions prior to approval.

Condition - Based on a Tennessee Comptroller of the Treasury Investigative Report released February 4, 2021, supervisors in the General Sessions Court Clerk's Office failed to adequately review transactions prior to approving voids during the period January 11, 2019 through October 22, 2019.

Cause and Effect - Officials failed to adequately review void transactions prior to approving them. This resulted in a deputy clerk misappropriating cash collections totaling at least \$6,577.

Recommendations - We recommend management provide training to supervisors regarding proper review and approval of voids.

Management's Response - We concur with the recommendation and have implemented new procedures for the review and approval of voids in our office.

KNOX COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2021

Section III - Federal Award Findings

2021-005 Preparation of the Schedule of Expenditures of Federal Awards

Program(s): Not Applicable

Criteria or Specific Requirement - Uniform Guidance requires the auditee to have sufficient internal control procedures over the preparation of a complete and accurate schedule of expenditures of federal awards (SEFA). This complete and accurate SEFA needs to be available within a reasonable period of time after fiscal year end. A complete SEFA is required for the external auditors to perform the Single Audit.

Condition and Context – The auditors requested and received a draft SEFA from the County Finance Department on September 21, 2021 to use for their major program determination and Single Audit. The draft SEFA included issues such as (a) containing a receipt of advance funding instead of expenditures for a certain program, (b) exclusion of expenditures for a program that had material expenditures and which was required to be audited as a major program, and (c) incorrect assistance listing numbers for several new programs. County Finance subsequently provided another draft version of the SEFA on September 30, 2021 that corrected the majority of these issues. The County Finance Department provided the auditors with a final SEFA on October 13, 2021.

Cause and Effect - The SEFA is prepared by several Finance Department staff across two different platforms which causes issues with determining which copy is complete and accurate. Second, the large amount of new Federal programs in the current year created delays in determining the amounts that should be included on the SEFA. In addition, the SEFA is not subject to a management level review prior to being provided to the auditors. The result was the draft SEFA provided to the auditors to begin their Single Audit did not contain all information required for a final major program determination.

Recommendations – We recommend that the Finance Department review the processes used to prepare the SEFA to ensure that a complete and accurate version is provided to the auditors within a reasonable period of time after fiscal year end. We also recommend that a member of management with adequate knowledge of Uniform Guidance requirements review the SEFA prior to providing a copy to the auditors.

Management's Response - As noted above, the County received significant amounts of new program funding during the fiscal year, the majority of which pertained to programs under the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 and the related programs, as well as the American Rescue Plan Act (ARPA). As a result, a number of County personnel, both in program administration and finance, were involved in continuing efforts to ascertain all of the relevant information as required to properly report the programs, both during the fiscal year and during the closing period after the end of the year. These procedures resulted in changes to the draft SEFA schedules provided to the auditors as the necessary information became available. The County will continue to review our processes used to prepare the SEFA and we continue to be committed to preparing a complete and accurate report. In addition, we will implement procedures requiring a member of management having the appropriate level of knowledge to review the SEFA.



OFFICE OF COUNTY MAYOR GLENN JACOBS

Department of Finance • 400 Main Street, Suite 630, Knoxville, TN 37902

KNOX COUNTY, TENNESSEE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2021

PY Finding	Finding Title	Status/ Current Year Finding Number
2020-001	Review of Fee Calculations	Corrected
2020-002	Review of Expenditures and Equipment Management – Parks and Recreation Department	Corrected
2020-003	Timely Deposit of Receipts – Engineering & Public Works and Clerk & Master	Corrected



OFFICE OF COUNTY MAYOR GLENN JACOBS

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Knox County, Tennessee Management's Corrective Action Plan For the Year Ended June 30, 2021

Finding 2021-001: Health Department Supplies and Inventory

Person(s) Responsible for Implementing the Corrective Action:

Kevin Parton
Chief Administrative Officer, Health Department

Corrective Action Planned:

A policy has been implemented to ensure the individual ordering supplies is different than the individual receiving the items. A process for receiving items has been put into place to ensure what has been ordered is what has arrived. The Health Department has created an Ordering and Receiving Manual that has uniform supporting document flows that track supplies and medications across the entire department.

Anticipated Completion Date of Corrective Action:

Management has implemented the corrective actions during FY 2022.



Kevin Parton



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Knox County, Tennessee Management's Corrective Action Plan For the Year Ended June 30, 2021

Finding 2021-002: Bank Reconciliations in Criminal Court Clerk's Office

Person(s) Responsible for Implementing the Corrective Action:

Mike Hammond
Criminal, General Sessions & Fourth Circuit Court Clerk

Corrective Action Planned:

The Clerk will review the monthly bank reconciliations in a timely manner to ensure that such reconciliations are being completed. The bank reconciliations for the year ending June 30, 2021 will be brought up to date.

Anticipated Completion Date of Corrective Action:

Management will implement this corrective action during FY 2022.

A handwritten signature in cursive script that reads "Mike Hammond".

Mike Hammond



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Knox County, Tennessee Management's Corrective Action Plan For the Year Ended June 30, 2021

Finding 2021-003: Timely Deposit of Receipts

Person Responsible for Implementing the Corrective Action:

Jim Snowden

Senior Director, Engineering and Public Works, Knox County

Corrective Action Planned:

We will continue to review our procedures related to timely deposits to ensure compliance with state statutes. We always evaluate the staff involved so that the offices have qualified personnel available to perform the necessary duties of the offices, to safeguard our deposits and to be in compliance with state statutes. In addition, we will require a supervisory review of all deposits to ensure timelines adhere to state requirements.

Anticipated Completion Date of Corrective Action:

Management will implement the corrective actions during FY 2022.


Jim Snowden
2-14-22



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Knox County, Tennessee Management's Corrective Action Plan For the Year Ended June 30, 2021

Finding 2021-004: Reviewing Voids in Knox County General Sessions Court Clerk's Office

Person(s) Responsible for Implementing the Corrective Action:

Mike Hammond
Criminal, General Sessions & Fourth Circuit Court Clerk

Corrective Action Planned:

Management will develop new procedures that will provide a step-by-step guide on how receipts shall be voided by deputy clerks performing cash handling duties.

Anticipated Completion Date of Corrective Action:

Management has implemented this corrective action on January 29, 2021.


Mike Hammond



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Knox County, Tennessee Management's Corrective Action Plan For the Year Ended June 30, 2021

Finding 2021-005: Preparation of the Schedule of Expenditures of Federal Awards

Person(s) Responsible for Implementing the Corrective Action:

Chris Caldwell
CFO/Co-Chief of Staff, Finance Department

Corrective Action Planned:

The Finance department will examine the processes used to develop the SEFA schedule and ensure the amounts on the schedule are complete and accurate. The schedule will also receive a more thorough review by a member of management.

Anticipated Completion Date of Corrective Action:

Management will implement the corrective actions during FY 2022.


Chris Caldwell