



Federal Awards Reports in Accordance with the
Single Audit Act and OMB Circular A-133

December 31, 2012

Elbert County, Colorado

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**Independent Auditor’s 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**

Board of Elbert County Commissioners
Elbert County, Colorado

We have audited, in accordance with 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 and each major fund and the aggregate remaining fund information of Elbert County, Colorado, as of and for the year ended December 31, 2012, and the related the related notes to the financial statements, which collectively comprise Elbert County’s basic financial statements, and have issued our report thereon dated January 15, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Elbert County's internal control over financial reporting (internal control) to determine the 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 Elbert County’s internal control. Accordingly, we do not express an opinion on the effectiveness of Elbert County’s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings, questioned costs and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 entity’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings, questioned costs and responses as items 2012-A and 2012-B to be material weaknesses.

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 the attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings, questioned costs and responses as item 2012-C to be a significant deficiency.

Compliance and Other Matters

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

Elbert County's Responses to Findings

Elbert County, Colorado's responses to the findings identified in our audit are described in the accompanying schedule of findings, questioned costs and responses. Elbert 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 result 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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Greenwood Village, CO
January 15, 2014



Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Board of Elbert County Commissioners
Elbert County, Colorado

Report on Compliance for Each Major Federal Program

We have audited Elbert County’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Elbert County’s major federal programs for the year ended December 31, 2012. Elbert County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on the compliance for each of Elbert 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the 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 Elbert County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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 Elbert County’s compliance.

Basis for Qualified Opinion on the TANF Cluster

As described in the accompanying schedule of findings, questioned costs and responses, Elbert County did not comply with requirements regarding Eligibility for CFDA #’s 93.558 and 93.574, TANF Cluster, as described in finding number 2012-01. Compliance with such requirements is necessary, in our opinion, for Elbert County to comply with the requirements applicable to that program.

Qualified Opinion on TANF

In our opinion, except for the noncompliance described in the basis for Qualified Opinion paragraph above, Elbert County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on TANF for the year ended December 31, 2012.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Elbert County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect of each of its major Federal programs identified in the summary of auditor's results section of the accompanying schedule of findings, questioned costs and responses for the year ended December 31, 2012.

Report on Internal Control over Compliance

Management of Elbert County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered Elbert 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 OMB Circular A-133, 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 Elbert County's internal control over compliance.

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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that were not identified. However, as discussed below, we identified 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement 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, questioned costs and responses as item 2012-01 to be a material weakness.

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, questioned costs and responses as items 2012-02, 2012-03 and 2102-04 to be significant deficiencies.

Elbert County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings, questioned costs and corrective action plan. Elbert County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on these responses.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Elbert County, Colorado, as of and for the year ended December 31, 2012, and have issued our report thereon dated January 15, 2014 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Greenwood Village, CO
January 15, 2014

Elbert County, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2012

Federal Grantor/Pass-Through

<u>Grantor/Program Title</u>	<u>CFDA No.</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
Passed through Colorado Department of Human Services			
Food Assistance Administration	10.561	*	52,713 a
Emergency Food Assistance Commodities	10.569	*	9,622 a
Total U.S. Department of Agriculture			<u>62,335</u>
Department of Health and Human Services			
Passed through Colorado Department of Human Services			
Temporary Assistance for Needy Families (TANF)	93.558	*	321,804 b
Temporary Assistance for Needy Families (TANF) ARRA	93.714	*	5,094 b
Title IV-D - Child Support Enforcement	93.563	*	86,170
Title XIX - Medical Assistance Program	93.778	*	126,934
Low Income Home Energy Assistance	93.568	*	183,491
Child Care and Development Fund	93.596	*	96,858 c
Child Care and Development Fund - Discretionary	93.575	*	19,186 c
Title IV-B - Child Welfare Services	93.645	*	12,526
Title IV-E - Foster Care	93.658	*	171,102
Title XX - Social Services Block Grant	93.667	*	89,794
Title IV-E - Adoption	93.659	*	29,700
Promoting Safe and Stable Families	93.556	*	7,479
Passed through Colorado Department of Public Health			
Emergency Preparedness	93.069	EPRHW2HHS/EPR	23,969
Childhood Immunization	93.268	IMMKA2HHS	8,019
Maternal and Child Health - Block Grant	93.994	MCHMC2HHS	5,966
Total Department of Health and Human Services			<u>1,188,092</u>
Department of Transportation			
Passed through the Colorado Department of Transportation			
Highway Planning and Construction (Federal-Aid Highway Program)			
Kiowa Bennett Project	20.205	11HA127296	360,236
Total Department of Transportation			<u>360,236</u>
Department of Homeland Security			
Passed through the Colorado Department of Local Affairs			
Emergency Management Performance Grant/ Local Emergency Management Support	97.042	12EM1L22	33,722
Total Department of Homeland Security			<u>33,722</u>
Department of Justice			
Passed through the Colorado Division of Criminal Justice			
VOCA - On Call Victim Advocacy Program	16.575	10-VA-117	4,701
Total Department of Justice			<u>4,701</u>
Total Federal Financial Assistance			<u>\$ 1,649,086</u>

- * Unavailable
- a Cluster - \$62,335
- b Cluster - \$326,898
- c Cluster - \$116,044

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Elbert County, Colorado primary government (the County). The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal financial awards received by the primary government directly from federal agencies, as well as federal financial awards passed through other government agencies, including the State of Colorado, is included on the schedule. In addition, federal financial assistance awarded directly to eligible County Social Services recipients via Electronic Benefits Transfer (EBT) is also included in the schedule. The State of Colorado issues EBT to the eligible County recipients. Only the federal amount of such pass-through awards and EBT is included on the schedule.

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Elbert County, Colorado, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Elbert County, Colorado, received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a sub-recipient is treated as an expenditure when it is paid to the sub-recipient.

Governmental fund types account for the County's federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis when they become a demand on current available financial resources. The County's summary of significant accounting policies is presented in Note 2 in the County's basic financial statements.

Note B – CFDA and Contract Numbers

Federal CFDA numbers are from the Catalog of Federal Domestic Assistance published by the Office of Management and Budget and the General Services Administration.

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs	Modified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	Yes

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
HIGHWAY PLANNING AND CONSTRUCTION (Federal-Aid Highway Program)	20.205
LOW-INCOME HOME ENERGY ASSISTANCE (LEAP)	93.568
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)	93.558 & 93.714
Dollar threshold used to distinguish between type A and type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

2012- A Prior Period Adjustments – Material Weakness

Criteria - The County is responsible for establishing and implementing a system of internal control that will prevent, detect and correct errors in a timely manner and to safeguard its assets.

Condition - We noted the following prior period adjustments (corrections of errors):

1. Insurance Escrow

In 2011, the General Fund's fund balance (equity) was restated in order to record an insurance escrow of \$151,390 applicable to prior years. This amount plus an additional \$98,793 recorded for 2011 resulted in a total insurance escrow of \$250,183 at December 31, 2011. A restatement of \$250,183 was required in 2012 to the General Fund's beginning fund balance to appropriately remove the insurance escrow liability from the General Fund as this amount should only be reflected in the Government-Wide financial statements as the liability will be paid over the next several years. The liability is the result of the insurance escrow that is held with the Treasurer having a negative balance.

2. Revenue Recognition that impacted the General Fund, Road and Bridge and Government Wide Statements

The County made an error in the previous year related to revenue recognition surrounding property taxes that were received in 2012 but were applied to 2011 in the General Fund for \$63,569 and RB for \$36,875 totaling \$100,444. The effect of these two entries were a decrease of \$100,444 to beginning fund balances and net position and a credit to current year property tax revenue.

3. Capital Leases and Capital Assets

The County did not include a capital lease in the Government Wide statements for long term debt or property records in 2011 in the amount of approximately \$200,000. The error was corrected and reflected in the 2012 financial statements. In addition the master lease with Wells Fargo includes covenants related to the amount of debt the County can incur. This additional debt may result in a violation of the debt covenants.

4. Capital Assets and Construction in Progress

The County's property records for monitoring various projects relating to construction in progress could not be substantiated. Management wrote off approximately 1.3M in construction in progress resulting in a reduction of capital assets and net position.

Cause – Due to insufficient or lack of policy's/procedures including internal control checks and balances over key financial processes, turnover in the finance director position with no full time accounting person knowledgeable in governmental accounting to oversee daily operations, lack of financial reporting and maintenance of long term debt and property records and the finance department and Treasurer's Office not working together on the insurance escrow account, caused material misstatements to occur. The 2012 financial statements have been corrected for these errors.

Effect – Material misstatements undetected by the County and not corrected in a timely manner may result in future prior period adjustments or even qualification of the opinion on the financial statements.

Recommendation - We recommend that the County Finance Department communicate with other departments/offices on the importance of understanding the requirements of accurate and timely financial reporting. In addition policies and procedures should be implemented which include the review of various significant financial processes to ensure that appropriate documentation is obtained to support the reported balances included in the financial statements of the County, on a timely basis.

Management Corrective Action – County leadership, including the Finance Department staff, will communicate with all Elbert County elected offices and departments regarding the importance of accurate and timely financial reporting. Additionally, we will develop, adopt, and implement specific countywide policies and procedures to ensure that appropriate documentation is obtained to support reported balances in all funds included in the County's financial statements.

2012-B Reconciliations – Material Weakness

Criteria - The County is responsible for establishing and implementing a system of internal control that will prevent, detect and correct errors in a timely manner and to safeguard its assets.

Condition - We noted the following related to reconciliation processes:

- The finance department did not appropriately reconcile the funds' cash held with the Treasurer during 2012 (the County's consultant reconciled the accounts during the audit preparation process).
- The liability accounts in the general ledger related to payroll and warrants payable were not reconciled during 2012 (the County's consultant reconciled the accounts during the audit preparation process).
- The Sheriff's Office had various checking accounts that were not recognized by the Treasurer or maintained in the financial reporting system. On several of these accounts the signer also reconciled the bank statements.

- There is no policy for an annual physical count of capital assets to ensure all the capital assets actually exist and are properly valued.
- The Sheriff's Office received donated items from the Department of Defense in 2011 and 2012 in the amount of \$206,000 and \$138,000, respectively, and this information was not communicated to the finance department or the BOCC. Eide Bailly contacted the state and federal agencies and determined these were not assets of the County and were not considered federal awards.
- The County's financial reporting system does not reflect the 100% reporting of EBT expenditures by the Social Services fund on a monthly basis. The consultant prepared the correct balance sheet and income statement balances in the Social Services Fund.
- The finance department needs to continue to review the special district's debt amortization schedule to ensure the amortization schedule the Treasurer is using to send tax notices to the special districts is accurate. The special assessment funds indicate there are not sufficient funds to pay for outstanding bonds/assessments. There appears to be a shortage on the assessment collections compared to the current debt requirements for the special assessment districts. This needs to be addressed by the BOCC and legal counsel to determine the County's responsibility for payment of the shortfall.
- Due to the County's failure to reconcile debt with its debt covenants, and the untimely filing of its annual financial report, Wells Fargo was unable to waive all covenants resulting in the potential of calling the entire principal amount of \$6,370,000 of the Lease Mortgage Revenue bonds due in the next fiscal year. As a result, the entire amount is shown as a current liability in the 2012 audited financial statements.
- The County does not have specific policies related to the journal entry process. These policies would include who can propose and approve journal entries. Eide Bailly made a material audit adjustment of \$77,564 for December sales tax revenues, not appropriately recorded in the 2012 financial information.
- There is no consistency regarding the coding of revenues or expenditures in the general ledger. This may affect the budget to actuals analysis for the decision makers.

- The 2012 budget was not accurately input into the general ledger and therefore the BOCC was not receiving accurate information on which to make informed decisions.

Cause - Insufficient or lack of policies/procedures including internal control checks and balances over key financial processes that include timely reconciliations of accounts balances to supporting documents.

Effect - Misstatements undetected by management and not corrected in a timely manner may result in continued deficiencies, material adjustments or even qualification of the opinion on the financial statements.

Recommendation - We recommend that the County Finance Department communicate with other departments on the importance of understanding the requirements of reconciliation of account

balances and financial reporting. In addition procedures should be implemented which include the review of various significant financial processes to ensure that appropriate documentation is obtained to support and reconcile the reported balances included in the financial statements of the County.

Management Corrective Action - County leadership, including the Finance Department staff, will communicate with all Elbert County elected offices and departments regarding the importance of understanding the requirements of reconciliation of account balances and financial reporting. Additionally, we will develop, adopt, and implement specific countywide policies and procedures to ensure that significant financial processes are reviewed on a regular basis to ensure that appropriate documentation is obtained to support and reconcile reported balances included in the county's financial statements.

2012-C Reporting –Significant Deficiency

Criteria - The County is required to provide accurate GAAP basis financial data for preparation of its financial statements. Additionally, the County is responsible for preparing the Schedule of Expenditures of Federal Awards (SEFA) that includes all federal expenditures incurred and to have effective internal controls that are designed and in place to prevent, detect and correct errors in a timely manner.

Condition - Based on testing performed during the 2011 and the 2012 audits, we noted the following related to preparation of the financial statements and the SEFA and timely reporting to the State and Federal Clearinghouse:

- The County did not initially identify all federal grants that should be included in its SEFA or those that were identified were not recorded at the correct amount. The VOCA federal grant was not included on the 2011 SEFA in the amount of \$4,519 or the 2012 draft SEFA for the amount of \$4,701. We discussed these grants with management and the 2012 SEFA has been corrected to include the VOCA grant. Other errors noted and corrected on the 2012 draft SEFA were corrected that related to the amount of the EMPG and the CDOT grant expenditures for insignificant amounts.
- The County did not file the 2011 or the 2012 audited financial statements to the state by the extension date of September 30, 2012 and 2013 or file the required reports to the federal clearinghouse within nine months of year end.

Cause - The financial close process relating to the financial statements and the SEFA did not include communications with all departments to ensure all financial information and federal grants were included within the financial statements and on the SEFA. Due to the lack of training and timely communication between the finance department and other department's financial information and federal grants were initially not included in the financial statements or on the SEFA until brought to management's attention during the year-end audit process.

Due to insufficient financial records and errors made in prior years the 2011 and 2012 financial statement and compliance audit could not be completed in a timely manner.

Effect - Without proper training, supervision and review, errors will continue and result in either overstatement or understatement of amounts reported within the County's financial information and SEFA. Also, without adequate supervision of the daily, monthly and year-end financial operations/processes, the problems noted during the audit process may continue, resulting in the County not meeting state or federal filing deadlines in the future. The County will continue to be considered a high risk auditee for determining the amount of federal programs required to be tested.

Recommendation - We recommend the County consider using outside consultants during the year to ensure the records are supported by sufficient evidence and balances are correct on a monthly basis and to consult with the auditors on a quarterly basis to ensure timely performance of the annual audit and filing of required reports before the required dates. We also recommend the County's finance department communicate more frequently and thoroughly with all departments the existing policies and procedures regarding the accounting for and recording of financial information and federal expenditures of the County. The finance department should also monitor transactions to ensure that they are properly reporting information in the financial records and on the SEFA in a timely manner. We recommend that all grants be reviewed and approved by the BOCC as to the cost/benefit before actually applying for them. The finance department should then review the Board of County Commissioners' meeting minutes to determine what departments are applying for and receiving grants and ensure that these grants are properly accounted for and identified on the SEFA. In addition, the County needs to implement a process to ensure all financial and federal grant reports are submitted timely.

Management Corrective Plan – The County shall either contract for an accounting services provider or hire a full-time accounting specialist in order to:

- Ensure that all Elbert County financial records are supported by sufficient evidence
- Ensure that all account balances are correct on a monthly basis
- Consult with the contracted auditing firm on a quarterly basis to ensure timely performance of the annual audit and filing of reports prior to their required submission dates

In addition, Elbert County's leadership and finance staff shall develop, adopt, and implement specific policies and procedures regarding the accounting for and recording of all financial information and Federal expenditures made by the County, including grant applications and tracking of approved grants. Staff shall communicate frequently with all elected offices and departments so that these policies and procedures are thoroughly understood and followed. County administration and Finance department staff will monitor all transactions to ensure the timely and proper reporting of all financial records on the Schedule of Expenditures of Federal Awards (SEFA). All grant requests shall be reviewed and approved by the Board of County Commissioners (BOCC) prior to submission of said grant requests(s), and Finance department staff shall ensure that grants are properly accounted for and identified on the SEFA.

Section III – Federal Award Findings and Questioned Costs

**2012-01 Passed-through the Colorado Department of Human Services
CFDA # 93.558 - Temporary Assistance for Needy Families (TANF) CFDA #
93.716 - ARRA - Temporary Assistance for Needy Families (TANF)
Supplemental Grants**

**Allowable Costs
Eligibility**

**Material Non-Compliance
Material Weakness in Internal Control over Compliance**

Criteria – As specified in 42 USC 601 and 45 CFR section 260.20, the TANF program has the following purposes:

- (1) Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- (2) End dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- (3) Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- (4) Encourage the formation and maintenance of two-parent families

The State's TANF program is referred to as 'Colorado Works'. Colorado Department of Human Services (CDHS) Staff Manual 3.600 *Colorado Works Program Eligibility* describes the specific requirements and procedures for documenting and determining eligibility of the TANF program, to ensure compliance with 45 CFR 260.20.

45 CFR 205.55 discusses requirements for requesting and furnishing income and eligibility verification (IEVS) as does the state based on CDHS Staff Manual 3.120.27, that the county department is required to act upon information received from the Colorado Income and Eligibility Verification System (IEVS) within 45 days of the receipt of such information.

Additionally, the state requires that an assessment be performed and documented and completed with 30 days of the application (CDHS Staff Manual 3.625.1 and 3.604.51).

The State also requires compliance with 3.625.2 and 3.604.52 that requires the County develop an Individual Responsibility Contract (IRC) for

Applicants/Participants of cash assistance and diversion as a condition of CO Works eligibility that should be completed within thirty (30) calendar days after completing the initial assessment. Based on 3.625.7, the applicant or participant shall indicate by his/her signature on the IRC that he/she agrees with the terms and condition of the IRC (Individual Responsibility Contract).

A-133 Internal Controls

Circular A-133 defines internal control over federal programs as follows: Internal control pertaining to the compliance requirements for federal programs (internal control over federal programs) means a process – affected by an entity’s management and other personnel – designed to provide reasonable assurance for the achievement of the following objectives for federal programs:

- (1) Transactions are properly recorded and accounted for to:
 - (i) Permit the preparation of reliable financial statements and Federal reports;
 - (ii) Maintain accountability over assets; and
 - (iii) Demonstrate compliance with laws, regulations, and other compliance requirements;

- (2) Transactions are executed in compliance with:
 - (i) Laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on a Federal program; and
 - (ii) Any other laws and regulations that are identified in the compliance supplements; and

- (3) Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.”

Improper Payments

Under OMB guidance, Public Law (Pub. L.) No. 107-300, the Improper Payments Information Act of 2002, as amended by Pub. L. No. 111-204, the Improper Payments Elimination and Recovery Act, Executive Order 13520 on reducing improper payments, and the June 18, 2010 Presidential memorandum to enhance payment accuracy, Federal agencies are required to take actions to prevent improper payments, review Federal awards for such payments, and, as applicable, reclaim improper payments. Improper payment means:

1. Any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements.

- Incorrect amounts are overpayments or underpayments that are made to eligible recipients (including inappropriate denials of payment or service, any payment that does not account for credit for applicable discounts, payments that are for the incorrect amount, and duplicate payments).

- Any payment that was made to an ineligible recipient or for an ineligible good or service, or payments for goods or services not received (except for such payments where authorized by law).

- Any payment that an agency's review is unable to discern whether a payment was proper as a result of insufficient or lack of documentation.

Condition – The County may have improperly paid benefits in instances where information was not received from clients as required or the appropriate eligibility information was not received prior to payment of benefits and there was no follow up on IEVS reports to determine if the benefits should not be issued. We tested 60 payments over 15 eligibility files, noting the following errors:

- In 10 of the 15 eligibility files, there were open IEVS hits with due dates prior to the benefit month selected for testing.
- In 3 of the 15 eligibility files, a job readiness assessment was not present.
- In 2 of the 15 eligibility files, the IRC was not approved by the caseworker.
- In 1 of the 15 eligibility files, a completed and current IRC was not present.
- In 1 of the 15 eligibility files, no job search logs were present to support the IRC
- In 1 of the 15 eligibility files, the IRC was not signed by the participant.

Questioned Cost – \$20,278 of \$24,262 tested

Effect – Due to the failure to appropriately enforce the requirements of TANF federal and state regulations, the County may have inappropriately issued benefits to non-eligible participants. The opinion on this major federal program is modified due to this non-compliance.

Cause – Due to a lack of, or failure of appropriate controls, caseworkers did not obtain all appropriate documentation to verify eligibility prior to benefit issuance.

Recommendation – We recommend that the County continue working with the Colorado Department of Human Services on implementing controls, policies and

procedures to ensure compliance with the Federal and State regulations of the TANF program. This includes determining that controls are in place and are effective for

following up on the IEVS reports in a timely manner, obtaining information from the participant in a timely manner and completing the required assessments and IRC before benefits are issued. We also recommend the County establish a process of internal quality control review of TANF files to ensure the files are in compliance with the Federal and State regulations.

Management Response and Corrective Action Plan –We agree with audit findings and recommendations.

Corrective Action Plan:

Effective December, 2013 the Elbert County Department of Health and Human Services will implement several internal control steps in supervisory oversight and case monitoring to assure timely and complete case requirements processing for Colorado Works cases. These process and policies include the following:

- County Policy for Colorado Works Case Reviews
- Colorado Case Review Form - provided by the Colorado Department of Human Services
- Internal outlines for Colorado case processing steps that are provided and reviewed with all Colorado Works staff. Included in these processes is the requirement of reviewing the IEVs report every time a case is processed including redetermination.
- Colorado Works Cognos reports outline that specifically addresses the IEVs report steps to be implemented by the Supervisor and Colorado Works staff.

**2012-02 Passed-through the Colorado Department of Human Services
CFDA # 93.558 - Temporary Assistance for Needy Families (TANF)
CFDA# 93.716 – ARRA - Temporary Assistance for Needy Families (TANF)
Supplemental Grants**

**Allowable Costs
Procurement, Suspension and Debarment**

Significant Deficiency of Internal Control over Compliance

Criteria – All recipients of Federal funds that use contractors are required to have controls over the procurement of contracts.

Government wide requirements for non-procurement suspension and debarment are contained in the OMB guidance in 2 CFR part 180, which implements Executive

Orders 12549 and 12689, Debarment and Suspension. Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the System for Award Management (SAM) (previously Excluded Parties List System (EPLS)).

A-133 Internal Controls

Circular A-133 defines internal control over federal programs as follows: Internal control pertaining to the compliance requirements for federal programs (internal control over federal programs) means a process – affected by an entity's management and other personnel – designed to provide reasonable assurance for the achievement of the following objectives for federal programs:

- (1) Transactions are properly recorded and accounted for to:
 - (i) Permit the preparation of reliable financial statements and Federal reports;
 - (ii) Maintain accountability over assets; and
 - (iii) Demonstrate compliance with laws, regulations, and other compliance requirements;

- (2) Transactions are executed in compliance with:
 - (i) Laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on a Federal program; and
 - (ii) Any other laws and regulations that are identified in the compliance supplements; and

- (3) Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

Improper Payments

Under OMB guidance, Public Law (Pub. L.) No. 107-300, the Improper Payments Information Act of 2002, as amended by Pub. L. No. 111-204, the Improper Payments Elimination and Recovery Act, Executive Order 13520 on reducing improper payments, and the June 18, 2010 Presidential memorandum to enhance payment accuracy, Federal agencies are required to take actions to prevent improper payments, review Federal awards for such payments, and, as applicable, reclaim improper payments. Improper payment means:

- Any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements.
- Incorrect amounts are overpayments or underpayments that are made to eligible recipients (including inappropriate denials of payment or service, any payment that does not account for credit for applicable discounts, payments that are for the incorrect amount, and duplicate payments).
- Any payment that was made to an ineligible recipient or for an ineligible good or service, or payments for goods or services not received (except for such payments where authorized by law).
- Any payment that an agency's review is unable to discern whether a payment was proper as a result of insufficient or lack of documentation.

Condition – No SAM check was performed on the TANF contract that was greater than \$25,000 prior to awarding the contract for the project. County management was not aware of the compliance requirement to check on contractors or subcontractors for suspension or debarment in the procurement process until the auditors brought this to their attention. The auditors performed a SAM check and noted the vendor on the contract was not suspended or debarred.

Additionally, we noted the following exceptions out of 26 contractor invoices selected for procurement testing:

Two instances in which the amount paid to the contractor did not agree to the amount billed per the invoice for an immaterial amount.

Five instances in which approval was not present on the invoice.

Questioned Cost – None

Effect – Failure to comply with federal grant requirements will result in non-compliance with laws and regulations and could result in contracts with parties that have been sanctioned or debarred that would be considered a disallowed cost.

Cause – County management was not aware of this compliance requirement and therefore did not have control procedures in place to perform a SAM check on the contractor before awarding the contract. Additionally, internal controls are not in place surrounding the approval process of invoices to ensure costs are allowed and accurate.

Recommendation – We recommend that County management establish a procedure that requires SAM checks be performed on all federally funded contracts before the contract is awarded, i.e. during the bid process. All SAM searches should be printed and filed with the contract. Additionally, appropriate grant personnel should be

reviewing and approving all contractor invoices to ensure costs are allowed and appropriate.

Management Response and Corrective Action Plan – We agree with audit finding and recommendations.

- Effective January 2014, a SAM check will be performed on all federally funded contracts prior to submission to the Elbert County Board of Human Services for approval.
- A copy of all SAM searches will be maintained and filed with all executed contracts that include federal funds.
- Effective January 2014, all contractor invoices are reviewed for appropriateness by the Department Finance and Director prior to generation of payments.

**2012-03 Passed-through Colorado Department of Human Services
CFDA # 93.568
LOW-INCOME HOME ENERGY ASSISTANCE**

Allowable Costs

Significant Deficiency of Internal Control over Compliance

Criteria – The specific requirements for activities allowed or unallowed are unique to each Federal program and are found in the laws, regulations, and the provisions of contract or grant agreements pertaining to the program. Internal controls are to be in place to provide reasonable assurance that Federal awards are expended only for allowable activities and that the costs of goods and services charged to Federal awards are allowable and in accordance with the applicable cost principles.

Internal Controls

Circular A-133 defines internal control over federal programs as follows: Internal control pertaining to the compliance requirements for federal programs (internal control over federal programs) means a process – effected by an entity’s management and other personnel – designed to provide reasonable assurance for the achievement of the following objectives for federal programs:

- (1) Transactions are properly recorded and accounted for to:
 - (i) Permit the preparation of reliable financial statements and Federal reports;
 - (ii) Maintain accountability over assets; and
 - (iii) Demonstrate compliance with laws, regulations, and other compliance requirements;

- (2) Transactions are executed in compliance with:
 - (i) Laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on a Federal program; and
 - (ii) Any other laws and regulations that are identified in the compliance supplements; and

- (3) Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.”

Improper Payments

Under OMB guidance, Public Law (Pub. L.) No. 107-300, the Improper Payments Information Act of 2002, as amended by Pub. L. No. 111-204, the Improper Payments Elimination and Recovery Act, Executive Order 13520 on reducing improper payments, and the June 18, 2010 Presidential memorandum to enhance payment accuracy, Federal agencies are required to take actions to prevent improper payments, review Federal awards for such payments, and, as applicable, reclaim improper payments.

Improper payment means:

1. Any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements.

2. Incorrect amounts are overpayments or underpayments that are made to eligible recipients (including inappropriate denials of payment or service, any payment that does not account for credit for applicable discounts, payments that are for the incorrect amount, and duplicate payments).

3. Any payment that was made to an ineligible recipient or for an ineligible good or service, or payments for goods or services not received (except for such payments where authorized by law).

4. Any payment that an agency’s review is unable to discern whether a payment was proper as a result of insufficient or lack of documentation.

Condition – We noted the following issues related to the charges or lack of charges to the LEAP grant:

- 6 of 12 time sheets were inaccurately completed and reflected the entire salary was to be charged to LEAP for all 12 payrolls. Although the supervisor detected some of the technician's errors and correctly charged the payment voucher to reflect this, the upload to the state was not properly coded or captured.
- Errors were made by the County's finance department when uploading the information into the state's CFMS system that allocates costs to various state and federal programs:
 - One monthly upload to the state system did not include the LEAP payroll in the amount of \$1,656 and the County finance department was unable to locate the state report to verify the omission.
 - Two monthly uploads were incorrectly coded to County Administration and should have been charged to LEAP payroll. Total of \$3,168.
 - One of the monthly uploads to the state did not agree to the payment voucher supported by the County finance, as the state report indicated the entire amount of \$1,958 was coded to County administration when a portion should have been allocated to LEAP (\$158) and to the LEAP Outreach program (\$215).
 - One of the monthly uploads to the state did not agree to the payment voucher supported by the County finance, as the state report indicated \$1,440 charged to payroll, versus what was on the payment voucher \$720 to Outreach and \$720 to County administration.
 - One of the monthly uploads to the state did not agree to the payment voucher supported by the County finance, as the state report indicated \$1,440 charged to payroll, versus what was on the payment voucher - \$360 to LEAP payroll and \$1,080 to County administration.
 - The reconciliation between the state's Whole Report (summary of calendar activity by federal and state programs and allocations) to the information detailed above from the County records, resulted in approximately \$3,400 that could have been claimed for the LEAP program that the County did not claim timely.

We are aware of the County finance department making corrections to the state reporting system regarding some of these matters but at this point are unable to determine why the corrections were not reflected on the state's Whole Year report.

Questioned Costs – Underpayment of approximately \$3,400 to the LEAP program and \$3,400 overpayment charged to the County Administration state account.

Effect – This is a violation of federal and state regulations that may result in additional oversight (desk or program reviews) by federal or state agencies or the funds may have to be repaid to the state.

Cause – The County is not reviewing the monthly uploads to the state and comparing the County internal information to the state report to ensure all activity is coded correctly and made in a timely manner.

Recommendation – We recommend the County establish a process that includes monthly monitoring of the information that is uploaded to the state system and comparing the information to the monthly reports to ensure the accuracy of the information, charged to the correct federal/state grants and investigate all discrepancies timely.

Management's Response and Corrective Action Plan - One monthly upload of \$1,656 was not done when the County Finance Office provided an inaccurate warrant list to the Elbert County Human Services Department. This error occurred during the time frame when the County installed new accounting software resulting in the need to re-enter all of the deleted items during that time frame. Subsequently, some of the warrants were missing on the report provided to the Department.

In order to maximize the use of the state and federal funds available to counties and to correct any errors or allocation modifications generated at the county or state level, the Colorado Department of Human Services allows counties to make financial adjustments throughout the fiscal year from July 1- June 30. Adjustments may also occur at the State level.

In State FY 2013, Elbert County Health and Human Services did make LEAP adjustments in March and June of 2013, in the respective amounts of \$2880 and \$3,025. The adjustments were uploaded through the State CFMS financial reporting system and approved.

Although these adjustments impacted the State Fiscal Year of July 1, 2012- June 30, 2013, the numbers were not reflected in the County Whole year report which covers the time frame of January 1- December 31, 2012. Subsequently, the Whole Year report used in this audit only covered the County Fiscal Year of January through December 2012, which did not reflect the adjustments that included the State Fiscal Year program adjustments.

Corrective Action Plan:

- In 2014 The Elbert County Health and Human Services Department will contract with an Independent Contractor for training of the Finance staff in monthly reporting, reconciling processes and monitoring of all Human Services programs and applicable financial reports, under OMB guidance, Public Law (Pub. L.) No. 107-300, the Improper Payments Information Act of 2002, as amended by Pub. L. No. 111-204.

- In May 2013, based upon the recommendation of the Colorado Department of Human Services' Audit Division, the Elbert County Health and Human Services implemented the use of the 100% timekeeping software Y-time. This program allocates all time worked per employee to the appropriate program areas.

In addition to initial submission by employee of his/her Y-Time reports, each time record must be reviewed for accuracy by the direct supervisor with ultimate approval by Administration. This information is directly uploaded into the Colorado Department of Human Services' CEDS reporting system monthly.

- Effective January 2014 all financial report submissions during the county audits will include the Whole Year financial report and the Year to Date financial report as needed for accurate reflection of adjustments made within the State Fiscal Year that may impact the audited time frame.

**2012-04 Passed-through Colorado Department of Human Services
CFDA # 93.568
LOW-INCOME HOME ENERGY ASSISTANCE**

**Eligibility
Significant Deficiency of Internal Control over Compliance**

Criteria – The requirements for eligibility are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award. The state LEAP regulations are in Vol. 3 Section 3.756.14 that requires “A county department shall have up to fifty (50) calendar days from the date of application as defined in the “Definitions” section (3.751.1) of these rules to determine eligibility”. The time starts from the date the signed and completed application is date stamped as received by the County to the date the individual is ruled eligible or not.

Condition –3 of 60 participant files tested exceeded the 50 day rule for determining eligibility.

Questioned Costs – None

Effect – This is a violation of the state regulations that may result in additional oversight (desk or onsite reviews) by federal or state agencies.

Cause – The County has one LEAP technician to complete the application and eligibility process and during the busier season of the LEAP program, November and December, the technician was not able to complete the process timely. Also the reports were not reviewed closely by the LEAP supervisor to determine the

applicants that were close to the 50 day rule. The County does not have procedures in place to ensure the reports are reviewed timely and take the proper action to ensure compliance with the 50 day rule.

Recommendation – We recommend the County establish a process that includes supervisor review and documentation of the monthly reports that show the participants that are close to the 50 day rule and the supervisor assist the LEAP technician to ensure those participants that are close to the 50 days be processed first to avoid noncompliance with the regulation.

Management's Response and Corrective Action Plan - We agree with the Audit results and recommendations

Corrective Action Plan:

Effective October 2013 the following process has been established to monitor the LEAP program in order to assure processing compliance. The Supervisor review documentation will be maintained in a notebook or data base specific to the LEAP program.

On a weekly basis the Assistance Payments Supervisor will generate a LEAP report through the CEPS system and review the following with Eligibility Technicians:

- Status of application/pending regular and emergency cases per assigned Eligibility Technician
- Status of information requested to complete eligibility determination (14 day tickler report)
- All cases will be denied if the required information is not received by the 14th day generating a need for a new application.

On a monthly basis the Assistance Payments Supervisor will generate a LEAP Master File List of the current status of all cases to review with appropriate staff to address any pending timeliness processing concerns with priority given to those close to the 50 day processing requirement.

**2011-01 Passed-through Colorado Department of Transportation
CFDA # 20.205
HIGHWAY PLANNING AND CONSTRUCTION (Federal-Aid
Highway Program)**

**Allowable Costs/Cash Management, Matching
Significant Deficiency of Internal Control over Compliance**

Finding – A total of four cost reimbursements requests were submitted to CDOT in 2011 and 2012 for costs incurred in 2011. The first request indicated the total amount of the costs incurred and paid to the contractor of \$136,588 (net of retainage) and also reflected the 10% match of \$13,659 with a net amount due to the County of \$122,929. The cost reimbursement application prepared by the County was complete and correct, however, the county received the reimbursement for \$136,588 verse the \$122,929 resulting in an overpayment (advance) for a cost that was not incurred (disallowed cost and county match) in the amount of \$13,659. This error was not detected by County management until the auditors brought this to their attention. County management is in the process of applying the \$13,659 advance to future draws in 2012.

Status - The CDOT accounting error occurred in November and was not recognized until construction of the project was terminated for the winter months. Now that the project is active again, the \$13,659 credit will be applied to the first reimbursement application in 2012. It is anticipated that this reimbursement application will be submitted to CDOT in June 2012. In addition, for all federally funded projects the County has established a process that requires reimbursement checks received to be cross referenced with each reimbursement application at time of receipt. A copy of the reimbursement check shall be stapled to a copy of the reimbursement application and inserted into the project manual. This cross-referencing process will be performed by qualified County Public Works staff.

Auditor Response – Implemented.

**2011-02 Passed-through Colorado Department of Transportation
CFDA # 20.205
HIGHWAY PLANNING AND CONSTRUCTION (Federal-Aid
Highway Program)**

**Procurement, Suspension and Debarement
Significant Deficiency of Internal Control over Compliance**

Finding – No EPLS check was performed on the highway construction contractor prior to awarding the contract for the project. County management was not aware of

the compliance requirement to check on contractors or subcontractors for suspension or debarment in the procurement process until the auditors brought this to their attention. Management has since performed the EPLS check and the contractor is not suspended or debarred

Status - An EPLS check has been performed for the Kiowa-Bennett Roadway Improvement Project. Based on this EPLS check, it has been confirmed that the project general contractor is acceptable to perform the contracted work. Going forward, the County Public Works Department will perform an EPLS check on all general contractors prior to awarding contracts that utilize federal funding.

Auditor Response – Implemented.

**2011-03 Passed-through Colorado Department of Transportation
CFDA # 20.205
HIGHWAY PLANNING AND CONSTRUCTION (Federal-Aid
Highway Program)**

**Davis Bacon
Significant Deficiency of Internal Control over Compliance**

Finding – County management and its engineering consultant were aware of Davis Bacon, although there was no documented process of what was performed to ensure compliance by either party.

We noted the following during our testing of compliance with Davis Bacon:

Weekly payroll certifications were not received from the general contractor (3/17) and two subcontractors (4/18 and 2/6) for work performed in 2011.

There is no documentation by the consultant or County management when the certified payrolls are received (date stamp), if all were received and no documentation if each certified payroll was recalculated to ensure the contractor/subcontractor was in compliance with Davis Bacon wages (initialed by reviewer the recalculation was completed).

Status - The County has received and checked the three missing certified payrolls and inserted them into the project manual. The three certified payrolls were correct. Furthermore, the County has implemented a procedure that monitors Davis Bacon requirements to ensure compliance. This procedure has been reviewed and commented on by Eide-Bailey. The process includes weekly date stamping of all certified payrolls, periodic checks performed by the County to ensure the pay rates

are correct for the area, actions to be taken should certified payrolls not be received within the appropriate timeframe, weekly discussions with the contractors regarding Davis Bacon compliance and periodic interviews of the contractors employees using Labor Standards Interview Form 1445.

Auditor Response – Implemented.

**2011-04 Passed-through Colorado Department of Human Services
CFDA # 93.568
LOW-INCOME HOME ENERGY ASSISTANCE**

**Allowable Costs
Significant Deficiency of Internal Control over Compliance**

Finding – The LEAP technician works on the LEAP program from September through May of each year. The entire year salary for the LEAP technician was charged to the LEAP program in the amount of \$19,049 when \$14,441 was applicable to the LEAP grant. The LEAP technician’s contract stipulates that November to April will be spent on the LEAP program and the remaining months are to be spent on other social services programs. Questioned costs are \$4,608 for June, July and August of 2011.

Status - The LEAP tech’s contract will be revised by the end of October 2012 to reflect the actual time worked on the LEAP program for September to the end of May. The Supervisor and Chief financial officer will monitor time sheets monthly for accurate reporting

Auditor Response – Not implemented. See Finding 2012-03.

**2011-05 Passed-through Colorado Department of Human Services
CFDA # 93.568
LOW-INCOME HOME ENERGY ASSISTANCE**

**Eligibility
Significant Deficiency of Internal Control over Compliance**

Finding – 2/60 participant files tested exceeded the 50 day rule for determining eligibility.

Elbert County, Colorado
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2012

Status - We have limited staff as well as working a 36 hour week. The LEAP supervisor is also the Adult programs eligibility tech carrying an average of 280 cases and 391 programs monthly in 2011. Our plan is to hire an Adult Programs technician and we are in the process at this time. This additional staffing will free up the Supervisor time to review reports and cases for LEAP and other programs.

Auditor Response – Not implemented. See Finding 2012-04.