
ELBERT COUNTY, COLORADO
SINGLE AUDIT REPORT
DECEMBER 31, 2016

Contents

| | Page |
|--|-------------|
| Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i> | 1 - 2 |
| Independent Auditors' 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 The Uniform Guidance..... | 3 - 6 |
| Schedule Of Expenditures Of Federal Awards | 7 - 8 |
| Notes To Schedule Of Expenditures Of Federal Awards | 9 |
| Schedule Of Findings And Questioned Costs | 10 - 16 |
| Corrective Action Plan | 17 - 19 |
| Summary Schedule of Prior Audit Findings..... | 20 - 21 |

**Independent Auditors' Report
On Internal Control Over Financial
Reporting And On Compliance And Other
Matters Based On An Audit Of Financial
Statements Performed In Accordance With
*Government Auditing Standards***

Board of County Commissioners
Elbert County, Colorado
Kiowa, Colorado

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, each major fund and the aggregate remaining fund information of Elbert County, Colorado (the County), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Elbert's basic financial statements, and have issued our report thereon dated July 26, 2017.

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) 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 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 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*.

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.

RubinBrown LLP

July 26, 2017

**Independent Auditors' 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 The Uniform Guidance**

Board of County Commissioners
Elbert County, Colorado
Kiowa, Colorado

Report On Compliance For Each Major Federal Program

We have audited Elbert County, Colorado's (the County's) compliance with the types of compliance requirements described in the Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2016. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' 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, Costs Principles and Audit Requirements for Federal Awards* (the 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.

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.

Basis For Qualified Opinion On CFDA #93.558, Temporary Assistance For Needy Families (TANF)

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding CFDA #93.558 - Temporary Assistance for Needy Families (TANF) as described in finding number 2016-004 for eligibility and special tests and provisions. Compliance with such requirements is necessary, in our opinion, for the 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 of Qualified Opinion paragraph, 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 the TANF program for the year ended December 31, 2016.

Unmodified Opinion Of The Other 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 its other major federal program identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2016.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2016-003. Our opinion on each major federal program is not modified with respect to this matter.

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

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section, 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 identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-001, 2016-002 and 2016-004, that we consider to be material weaknesses.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. The County's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report On Schedule Of Expenditures Of Federal Awards Required By The Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated July 26, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RubinBrown LLP

July 26, 2017

ELBERT COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2016

Page 1 Of 2

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA No. | Pass-through Entity Identifying Number | Federal Expenditures | Amounts Passed Through To Subrecipients |
|---|---------------------|---|-------------------------|---|
| U.S. Department Of Agriculture | | | | |
| Passed through Colorado Department of Human Services | | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | * | \$ 62,108 | \$ — |
| Emergency Food Assistance Program (Food Commodities) | 10.569 | * | 47,154 | 47,154 |
| Total U.S. Department Of Agriculture | | | 109,262 | 47,154 |
| U.S. Department Of Transportation | | | | |
| Passed through Colorado Department of Transportation | | | | |
| State Traffic Safety Information System Improvement Grants | 20.610 | PO#421022839 | 2,170 | — |
| U.S. Department Of Health And Human Services | | | | |
| Passed through Colorado Department of Human Services | | | | |
| Temporary Assistance for Needy Families | 93.558 | * | 351,937 | — |
| Child Support Enforcement | 93.563 | * | 107,729 | — |
| Medical Assistance Program | 93.778 | * | 102,356 | — |
| Low Income Home Energy Assistance | 93.568 | * | 80,506 | — |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 | * | 19,075 | — |
| Child Care and Development Block Grant | 93.575 | * | 78,711 | — |
| Total Child Care and Development Fund Cluster | | | 97,786 | — |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | * | 13,402 | — |
| Foster Care - Title IV-E | 93.658 | * | 245,553 | — |
| Social Services Block Grant | 93.667 | * | 128,096 | — |
| Chafee Foster Care Independence Program | 93.674 | * | 2,095 | — |
| Adoption Assistance | 93.659 | * | 35,164 | — |
| Guardianship Assistance | 93.090 | * | 1,337 | — |
| Promoting Safe and Stable Families | 93.556 | * | 18,284 | — |
| Total Passed Through Colorado Department Of Human Services | | | 1,184,245 | — |
| Passed through Colorado Department of Public Health and Environment | | | | |
| Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF) | 93.758 | HC16A | 2,500 | — |
| Maternal and Child Health Services Block Grant to the States | 93.994 | ND17L | 3,982 | — |
| Maternal and Child Health Services Block Grant to the States | 93.994 | ND16L | 11,947 | — |
| Maternal and Child Health Services Block Grant to the States | 93.994 | ND15L | 3,982 | — |
| Total Maternal And Child Health Services Block Grant To The States | | | 19,911 | — |
| Total Passed Through Colorado Department Of Public Health And Environment | | | 22,411 | — |
| Total U.S. Department Of Health And Human Services | | | 1,206,656 | — |

ELBERT COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2016

Page 2 Of 2

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA No. | Pass-through Entity Identifying Number | Federal Expenditures | Amounts Passed Through To Subrecipients |
|---|---------------------|---|-------------------------|---|
| U.S. Department Of Homeland Security | | | | |
| Passed through the Colorado Department of Public Safety | | | | |
| Division of Homeland Security and Emergency Management | | | | |
| Emergency Management Performance Grant | 97.042 | 16EM-17-22 | \$ 38,943 | \$ — |
| Emergency Management Performance Grant | 97.042 | 14EM-16-163 | 319 | — |
| Emergency Management Performance Grant | 97.042 | MG4145006113 | 23,156 | — |
| Total Emergency Management Performance Grant | | | 62,418 | — |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | * | 444,162 | — |
| Total Passed Through Colorado Department Of Public Safety Division Of Homeland Security And Emergency Management | | | 506,580 | — |
| Total U.S. Department Of Homeland Security | | | 506,580 | — |
| U.S. Department Of Justice | | | | |
| Direct programs | | | | |
| Bureau of Justice Assistance | | | | |
| Bulletproof Vest Partnership Program | 16.607 | * | 1,798 | — |
| Passed through the Colorado Division of Criminal Justice | | | | |
| Crime Victim Assistance | 16.575 | 2014-VA-14-003248-18 | 5,805 | — |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2016-DJ-16-013576 | 6,750 | — |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2015-DJ-15-008515-07-1 | 22,500 | — |
| Total Edward Bryne Memorial Justice Assistance Grant Program | | | 29,250 | — |
| Total Passed Through Colorado Division Of Criminal Justice | | | 35,055 | — |
| Total U.S. Department Of Justice | | | 36,853 | — |
| U.S. Election Commission | | | | |
| Passed through the Colorado Department of State | | | | |
| Help America Vote Act Requirements Payments | 90.401 | * | 4,000 | — |
| Total Federal Financial Assistance | | | \$ 1,865,521 | \$ 47,154 |

* Unavailable

ELBERT COUNTY, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended December 31, 2016

1. General

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of the County. The information in this Schedule 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* (the Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

2. Basis Of Accounting

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in Note 1 to the financial statements of the County.

3. Indirect Costs

The County has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

ELBERT COUNTY, COLORADO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2016**

Section I - Summary Of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted:

| | | |
|---|-----------|--|
| Material weakness(es) identified? | _____ yes | Unmodified _____ <input checked="" type="checkbox"/> no |
| Significant deficiency(ies) identified? | _____ yes | _____ <input checked="" type="checkbox"/> none reported |
| Noncompliance material to financial statements noted? | _____ yes | _____ <input checked="" type="checkbox"/> no |

Federal Awards

Internal control over major federal programs:

| | | |
|---|---|---------------------|
| Material weakness(es) identified? | _____ <input checked="" type="checkbox"/> yes | _____ no |
| Significant deficiency(ies) identified? | _____ <input checked="" type="checkbox"/> yes | _____ none reported |

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

| | |
|---|-----------|
| CFDA# 93.558 Temporary Assistance for Needy Families (TANF) | Qualified |
|---|-----------|

| | |
|---|------------|
| CFDA# 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters) (FEMA) | Unmodified |
|---|------------|

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

| | |
|---|----------|
| _____ <input checked="" type="checkbox"/> yes | _____ no |
|---|----------|

Identification of major federal programs:

| CFDA No. | Name Of Federal Program Or Cluster |
|-----------------|--|
| 93.558 | Temporary Assistance for Needy Families (TANF) |
| 97.036 | Disaster Grants - Public Assistance (Presidentially Declared Disasters) (FEMA) |

| | |
|--|-----------|
| Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
|--|-----------|

| | | |
|--|-----------|--|
| Auditee qualified as low-risk auditee? | _____ yes | _____ <input checked="" type="checkbox"/> no |
|--|-----------|--|

ELBERT COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*)
For The Year Ended December 31, 2016

Section II - Financial Statement Findings

There were no findings related to the audit of the County's financial statements that are required to be reported under *Government Auditing Standards*.

ELBERT COUNTY, COLORADO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*)
For The Year Ended December 31, 2016**

Section III - Federal Award Findings And Questioned Costs

**Finding 2016-001: Material Weakness in Internal Control over Federal Awards
Uniform Guidance**

Federal Agency: All

Pass-Through Entity: N/A

Criteria Or Specific Requirement: Section 200.303 of the Uniform Guidance states that, “The non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government,” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition: The County has not completed a review of the requirements noted above and developed written policies and procedures that address all the elements of the “Internal Control Integrated Framework,” issued by COSO.

Questioned Costs: N/A

Context: N/A

Effect: The County is not in compliance with regard to internal control over federal awards under the Uniform Guidance.

Cause: The County has experienced turnover in key management and staff which has caused delays in implementing new grant guidance.

Identification As A Repeat Finding: N/A

Recommendation: We recommend that the County complete a review of the requirements noted above and develop written policies and procedures that address all the elements of the “Internal Control Integrated Framework,” issued by COSO, and have it in place December 31, 2017.

Views Of Responsible Officials And Planned Corrective Action: The County Finance Department will establish a written policy to be included in the Elbert County Finance Department Policies and Procedures document regarding grants. This addendum to the existing policy will be placed before the Board of County Commissioners before the year end for acceptance and approval.

ELBERT COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*)

For The Year Ended December 31, 2016

Finding 2016-002: Material Weakness in Internal Control over FEMA Awards Relating to Allowable Costs, Activities Allowed/Cost Principles, Reporting, Special Test and Provisions

CFDA# 97.036 - Disaster Grants - Public Assistance (FEMA)

Federal Award Identification Number: FEMA DR-4229-CO

Federal Agency: Department of Homeland Security

Pass-Through Entity: State of Colorado Department of Public Safety

Criteria Or Specific Requirement: Section 200.303 of the Uniform Guidance states that, "The non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government," issued by the Comptroller General of the United States and the "Internal Control Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition: The County has not established controls to provide reasonable assurance of compliance with the relevant compliance requirements.

Questioned Costs: N/A

Context: Controls such as independent supervisory review of transactions are not present. The County relies on the oversight exercised by the pass-through agency to ensure compliance.

Effect: Errors may go undetected and relevant compliance requirements may not be sufficiently complied with.

Cause: Due to emergency/one time nature of the grant funding the County did not have a control environment previously setup to administer the program.

Identification As A Repeat Finding: N/A

Recommendation: We recommend that the County implement controls such as independent supervisory review and a documented formal control process to provide reasonable assurance of compliance.

Views Of Responsible Officials And Planned Corrective Action: The County Finance Department will establish a written policy to be included in the Elbert County Finance Department Policies and Procedures document regarding grants. This addendum to the existing policy will be placed before the Board of County Commissioners before the year end for acceptance and approval.

ELBERT COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) For The Year Ended December 31, 2016

Finding 2016-003 Significant Deficiency in Reporting FEMA Awards

CFDA# 97.036 - Disaster Grants - Public Assistance (FEMA)

Federal Award Identification Number: FEMA DR-4229-CO

Federal Agency: Department of Homeland Security (DHS)

Pass-Through Entity: State of Colorado Department of Public Safety

Criteria Or Specific Requirement: Per the Compliance Supplement and grant agreement, the County is required to complete applicable reporting requirements, such as SF-425 quarterly *Federal Financial Reports*, by a specified time period.

Condition: The County did not submit required reports by the specified deadline.

Questioned Costs: N/A

Context: One of the two quarterly SF-425 reports selected for testing was not filed within the 45-day deadline.

Effect: The County did not provide timely information.

Cause: Due to emergency/one time nature of the grant funding the County did not have a control environment previously setup to administer the program and related compliance requirements.

Identification As A Repeat Finding: N/A

Recommendation: We recommend that the County complete all relevant reports by the specified deadline.

Views Of Responsible Officials And Planned Corrective Action: Due to a turnover in staff, one quarterly report did not get filed within the specified timeline. Elbert County will provide guidance in the addendum to the Finance Department Policies and Procedures handbook for federal grant reporting. This addendum to the policy will be placed before the Board of County Commissioners before year end for acceptance and approval.

ELBERT COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*)

For The Year Ended December 31, 2016

Finding 2016-004 Material Weakness in Eligibility, Special Tests and Provisions and Material Weakness in Internal Control over Compliance Temporary Assistance for Needy Families (TANF)

CFDA# 93.558 - Temporary Assistance for Needy Families (TANF)

Federal Award Identification Number: Unavailable

Federal Agency: Department of Health and Human Services (HHS)

Pass-Through Entity: Colorado Department of Human Services

Criteria Or Specific Requirement: There are four purposes of the TANF program (42 USC 601 and 45 CFR section 260.20(a)-(d)). The first purpose of TANF states only the financially “needy” are eligible for services, benefits or “assistance” and the second purpose of TANF is to end the dependence of needy parents on government benefits by promoting job preparation, work and marriage. The State’s TANF program is referred to as “Colorado Works.” The 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.

Condition: The County improperly paid benefits in instances where information was not received from recipients or processing errors were made. We noted the following exceptions.

- Three eligibility recipient files (10 tested) were not closed timely due to a processing error which resulted in the recipient receiving improperly paid benefits.
- One recipient file (10 tested) did not attend the required workplan meeting; however, benefits were not reduced.
- Two recipient files (10 tested) did not notify Child Support Enforcement.

Questioned Costs: \$1,232

Context: A nonstatistical sample of 10 recipient files was selected for testing.

Effect: Due to the failure to appropriately enforce the requirements of TANF legislation, the County inappropriately distributed benefits and did not comply with program requirement. This could affect future benefits of the County.

Cause: Due to the lack of, or failure of adequate controls and inexperience of caseworkers compliance requirements were not consistently met.

ELBERT COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*) For The Year Ended December 31, 2016

Identification As A Repeat Finding: 2015-004, 2014-001, 2013-001, 2012-001

Recommendation: The County should 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 controls that are in place and are effective for administering and monitoring the program. Additionally, we also recommend the County improve its process of internal quality control review of TANF files to ensure the files are in compliance with federal and state regulations.

Views Of Responsible Officials And Planned Corrective Action: Management has implemented a seven step performance improvement plant to address the 2016 audit findings.



Elbert County Government
215 Comanche Street
P.O. Box 7
Kiowa, CO 80117

CORRECTIVE ACTION PLAN
For The Year Ended December 31, 2016

Finding 2016-001

Personnel Responsible for Corrective Action: Kyrei Zion, Finance Department

Anticipated Completion Date: December 31, 2017

Corrective Action Plan: The County Finance Department will establish a written policy to be included in the Elbert County Finance Department Policies and Procedures document regarding grants. This addendum to the existing policy will be placed before the Board of County Commissioners before the year end for acceptance and approval.

Finding 2016-002

Personnel Responsible for Corrective Action: Kyrei Zion, Finance Department

Anticipated Completion Date: December 31, 2017

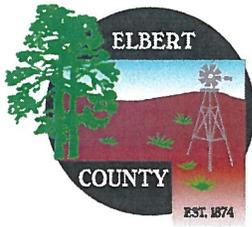
Corrective Action Plan: The County Finance Department will establish a written policy to be included in the Elbert County Finance Department Policies and Procedures document regarding grants. This addendum to the existing policy will be placed before the Board of County Commissioners before the year end for acceptance and approval

Finding 2016-003

Personnel Responsible for Corrective Action: Kyrei Zion, Finance Department

Anticipated Completion Date: December 31, 2017

Corrective Action Plan: Due to a turn-over in staff, one quarterly report did not get filed within the specified timeline. Elbert County will provide guidance in the addendum to the Finance Department Policies and Procedures handbook for federal grant reporting. This addendum to the policy will be placed before the Board of County Commissioners before year end for acceptance and approval.



Elbert County Government
215 Comanche Street
P.O. Box 7
Kiowa, CO 80117

CORRECTIVE ACTION PLAN (CONTINUED)
For The Year Ended December 31, 2016

Finding 2016-004

Personnel Responsible for Corrective Action: Jerri Spear, Director of Health and Human Services

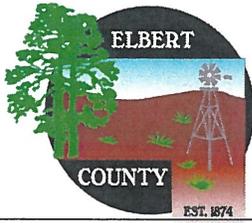
Anticipated Completion Date: December 31, 2017

Corrective Action Plan: At the initial TANF work plan and Road Map development meeting a case would have been closed if a client missed the meeting. However, there is a system generated conciliation meeting prior to closure offering the client 15 days to comply. A graduated reduction in benefits is initiated only if the client has a developed Road Map, participates in a necessary conciliation process and still does not fully comply.

Due to no details regarding specific case audit findings, we would like to point out that in one TANF case reviewed there was good cause for no referral to the Child Support unit since the recipient is covered under the Address Protection Program. However, there is no field in the CBMS data system that would reflect this information.

Performance Improvement Steps to address 2016 Audit findings:

1. April 2017 (ongoing):
 - a. At the time of eligibility determination staff will email notification of the TANF application and fill out a referral form for notification to the Child Support Specialist and TANF case management staff.
 - b. Upon receipt of referral from eligibility staff, TANF case management staff sends out a letter to the client to schedule the required Assessment and Road Map development meeting.
 - c. Upon receipt of the referral from eligibility staff the Child Support Specialist initiates Child Support case processing.
2. January 1, 2017 (ongoing):
 - a. TANF case management staff will enter client non-compliance status into CBMS for case closure for failure to attend the Assessment and Road Map development meeting.
 - b. TANF Case Management staff will notify supervisor of need for supervisory authorization for case closure.



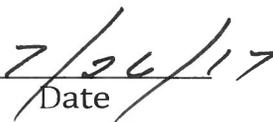
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CORRECTIVE ACTION PLAN (CONTINUED)
For The Year Ended December 31, 2016

3. March 2017 (completed):
 - a. TANF case management staff and supervisor will attend the Colorado Department of Human Services (CDHS) Coaching for Success training that includes the new data entry module for understanding of the required processes for correctly entering all data screens.
4. February 2017 (completed)
 - a. In response to several requests for assistance by ECDHHS, CDHS staff provided training for Workforce Development processes and data entry and reviewed case file documentation.
5. September 2016 (ongoing)
 - a. ECDHSS participated as a pilot county to develop a statewide case audit process and TANF case review tool for supervisory oversight.
 - b. ECDHHS began utilizing the review tool effective April 2017.
6. January 2017 (ongoing):
 - a. Supervisory staff will utilize the Employment & Benefits and Colorado Works Case File Review Tool provided by CDHS for monthly random auditing of 2 files.
7. September 2017
 - a. TANF staff and supervisors will attend the Professional Development Academy for cash programs and case management training.



Danny Wilcox, BOCC Chairman



Date



Elbert County Government
215 Comanche Street
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For The Year Ended December 31, 2016

Finding 2015-A Significant Deficiency Account Reconciliations

Summary of Prior Audit Finding: The County did not have a system of internal accounting control that will prevent, detect and correct errors in a timely manner and to safeguard its assets..

Initial Finding Reporting Year: 2015

Status: Corrective Action Plan Taken

Finding 2015-001 Significant Deficiency Eligibility and Internal Control Over Compliance

CFDA# 93.658 – Foster Care- Title IV-E

Federal Agency: Department of Health and Human Services (HHS)

Pass-Through Entity: Colorado Department of Human Services

Summary of Prior Audit Finding: The County does not have internal controls over eligibility determination which resulted in omitted control processes.

Initial Finding Reporting Year: 2015

Status: Corrective Action Plan Taken

Finding 2015-002 Significant Deficiency Eligibility and Internal Control Over Compliance

CFDA# 93.569 – Low-Income Home Energy Assistance

Federal Agency: Department of Health and Human Services (HHS)

Pass-Through Entity: Colorado Department of Human Services

Summary of Prior Audit Finding: The County had insufficient internal controls over eligibility determination which resulted in improper information being used for eligibly determinations.

Initial Finding Reporting Year: 2013

Status: Corrective Action Plan Taken.



Elbert County Government
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
For The Year Ended December 31, 2016

Finding 2015-003 Significant Deficiency Procurement and Internal Control Over Compliance

CFDA# 93.569 – Low-Income Home Energy Assistance

Federal Agency: Department of Health and Human Services (HHS)

Pass-Through Entity: Colorado Department of Human Services

Summary of Prior Audit Finding: The County had insufficient internal controls over Procurement which resulted in an omitted SAM (aka EPLS) check.

Initial Finding Reporting Year: 2015

Status: Corrective Action Plan Taken

Finding 2015-004 Material Weakness Allowable Costs, Eligibility and Internal Control Over Compliance

CFDA# 93.558 – Temporary Assistance for Needy Families (TANF)

Federal Agency: Department of Health and Human Services (HHS)

Pass-Through Entity: Colorado Department of Human Services

Summary of Prior Audit Finding: The County had insufficient internal controls over Allowable Costs and Eligibility which resulted in quested costs and incorrect eligibility determinations.

Initial Finding Reporting Year: 2012

Status: See finding 2016-004