
EL PASO COUNTY, COLORADO
FEDERAL AWARDS REPORTS
IN ACCORDANCE WITH THE
SINGLE AUDIT ACT
DECEMBER 31, 2017

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Office of the State Auditor

June 26, 2018

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 - 9
Notes To Schedule Of Expenditures Of Federal Awards	10
Schedule Of Findings And Questioned Costs	11 - 15
Corrective Action Plan	16 - 17



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

Board of County Commissioners
El Paso County, Colorado
Colorado Springs, 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, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of El Paso County, Colorado (the County), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 12, 2018. Our report includes a reference to other auditors who audited the financial statements of the El Paso County Retirement Plan and the El Paso County Housing Authority, as described in our report on the County's financial statements. This report does not include the results of the El Paso County Housing Authority auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the El Paso County Retirement Plan were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the El Paso County Retirement Plan.

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 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.

RubinBrown LLP

June 12, 2018

**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
El Paso County, Colorado
Colorado Springs, Colorado

Report On Compliance For Each Major Federal Program

We have audited El Paso County, Colorado's (the County) compliance with the types of compliance requirements described in the Office of Management and Budget *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, 2017. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of El Paso County Public Health, a discretely presented component unit, which received \$13,132,687 in federal awards and which is not included in the County's schedule of expenditures of federal awards for the year ended December 31, 2017. Our audit, as described below, did not include the operations of El Paso County Public Health because we performed the audit in accordance with Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance) and issued separate reports regarding those operations.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for 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 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.

Opinion On Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

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 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2017-001 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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2017-002 to be a significant deficiency.

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, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 12, 2018, 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 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 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 basic 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

June 12, 2018

EL PASO COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2017

Page 1 Of 3

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Grantor's Identification Number	Federal CFDA Number	Federal Expenditures	Expenditures To Sub-Recipients
U.S. Department Of Agriculture				
Passed through Colorado Department of Human Services				
SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Program	12-3505-0-1-605	10.561	\$ 4,883,397	\$ —
State Administrative Matching Grants for the Supplemental Nutrition Program - Food Stamp Participation Program	12-3505-0-1-605	10.561	192,330	—
Subtotal - SNAP Cluster			5,075,727	—
Supplement Nutrition Assistance Program, Process, and Technology Improvement Grants				
	SNAP-PTI-FY17-CO-01	10.580	50,929	—
			50,929	—
Passed through Colorado Department of Public Safety				
Emergency Watershed Protection Program - NRCS	6808B05-17-204	10.923	121,168	—
Emergency Watershed Protection Program - NRCS	68-8B05-16-205	10.923	336,960	—
Total U.S. Department Of Agriculture			5,584,783	—
U.S. Department Of Housing And Urban Development				
CDBG - Entitlement Grants Cluster				
Community Development Block Grant	B14UC080005	14.218	136,957	125,839
Community Development Block Grant	B15UC080005	14.218	236,863	77,477
Community Development Block Grant	B16UC080005	14.218	376,632	263,638
Community Development Block Grant	B16UC080005	14.218	22,500	—
Community Development Block Grant	B17UC080005	14.218	162,432	27,822
Subtotal - CDBG - Entitlement Grants Cluster			935,383	494,776
CDBG - Disaster Recovery Grants				
Riverside Relocation Specialist	16-057	14.269	60,330	—
Chipita Park Road	WI 17-126	14.269	4,000	—
Subtotal - CDBG - Disaster Recovery Grants Cluster			64,330	—
Total U.S. Department Of Housing And Urban Development			999,713	494,776
U.S. Department Of Justice				
Passed through Colorado Department of Public Safety				
Victims of Crime Assistance Program	2015-VA-16-013895-04	16.575	68,806	—
Victims of Crime Assistance Program	2015-VA-16-013710-04	16.575	108,297	—
Subtotal - CFDA 16.575			177,103	—
Passed through the Colorado Springs Police Department				
Justice Assistance Grant (JAG) - Relations and Community Outreach	2016-MU-BX-00115	16.738	15,579	—
Equitable Sharing Program - Civil Asset Forfeiture Reform Act	15-5042-0-2-752	16.922	23,294	—
Total U.S. Department Of Justice			215,975	—

EL PASO COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2017

Page 2 Of 3

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Grantor's Identification Number	Federal CFDA Number	Federal Expenditures	Expenditures To Sub-Recipients
U.S. Department Of Labor				
Passed through Colorado Department of Labor and Employment				
Employment Service Cluster				
Wagner-Peyser - Employment Services	1030,11818,1139,1174	17.207	\$ 1,509,593	\$ —
Wagner-Peyser - Summer Job Hunt	1030,11818,1139,1174	17.207	43,000	—
Subtotal - CFDA 17.207			1,552,593	—
Disabled Veterans' Outreach Program			17.801	56,000
Local Veterans' Employment Representative Program			17.804	14,000
Subtotal - Employment Service Cluster			1,622,593	—
WIOA Cluster				
Workforce Innovation and Opportunity Act Adult Program	870,984,1026,1027,1170,1171	17.258	2,161,118	—
Workforce Innovation and Opportunity Act Youth Activities	872,1026,1028,1170,1172	17.259	1,717,616	—
Workforce Innovation and Opportunity Act 5% Performance Incentive		17.278	18,782	—
Workforce Investment Act Enhanced Dislocated Worker Program		17.278	469,320	—
Workforce Innovation and Opportunity Act Dislocated Worker Program	800,815,873,911,931	17.278	102,661	—
Subtotal - CFDA 17.207			590,762	—
Subtotal - WIOA Cluster			4,469,496	—
Reemployment Services Assistance Program			17.225	26,864
Trade Adjustment Assistance			17.245	30,894
WIOA Technical Assistance			17.281	8,000
Total U.S. Department Of Labor			6,157,846	—
U.S. Department Of Transportation				
Passed through Colorado Department of Transportation				
Highway Planning and Construction Cluster				
Fed Aid Hwy - Falcon Park & Ride	AQC - C040-025	20.205	366,079	—
Charter Oak Ranch Road	STM - C040-041	20.205	187,935	—
Holtwood Road Bridge Replacement	BRO C040-036	20.205	1,474,953	—
Golden Lane Road Bridge Replacement	BRO C040-031	20.205	25,306	—
Fontaine Sidewalk Project	TAP C040-038	20.205	581,568	—
Oil Well Road Bridge Replacement	BRO C040-030	20.205	1,103,476	—
Highway 105	STA 105A-014	20.205	369,205	—
Judge Orr Culvert	ER C040-047	20.205	53,094	—
Total U.S. Department Of Transportation			4,161,617	—
Small Business Development Centers				
Small Business Development Centers (Core) Funding Grant			59.037	80,000
Small Business Development Centers (Cyber Security) Funding Grant			59.037	1,324
Total Small Business Development Centers			81,324	—

EL PASO COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2017

Page 3 Of 3

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Grantor's Identification Number	Federal CFDA Number	Federal Expenditures	Expenditures To Sub-Recipients
U.S. Department Of Health And Human Services				
Passed through Colorado Department of Human Services				
CCDF Cluster				
Child Care and Development Block Grant - Discretionary Fund		93.575	\$ 5,894,355	\$ —
Child Care Mandatory and Matching Funds of the Child Care Development Fund		93.596	4,108,260	—
Subtotal CCDF Cluster			10,002,615	—
Adjustment to Federal Assistance		93.xxx	(15,533)	—
Guardianship Assistance		93.090	56,011	—
Family Preservation Services		93.556	32,500	—
Family Support Services		93.556	32,500	—
Time Limited Family Reunification Services		93.556	41,525	—
Adoption Promotion	B 0501C000FP	93.556	24,975	—
Subtotal - CFDA 93.556			131,500	—
Temporary Assistance for Needy Families (TANF)		93.558	17,117,358	—
Child Support Title IV-D Administration		93.563	3,846,282	—
Child Support Enforcement Research		93.564	25,840	—
Low-Income Home Energy Assistance (LEAP)		93.568	23,404	—
Title IV-B		93.645	755,067	—
Social Services Research and Development		93.647	16,477	—
Foster Care - Title IV-E		93.658	8,718,985	—
Title IV-E Wavier Demonstration Project - Family Engagement		93.658	224,555	—
Title IV-E Wavier Demonstration Project - Kinship Supports		93.658	460,101	—
Title IV-E Wavier Demonstration Project - Trauma Informed Card		93.658	96,330	—
Subtotal - CFDA 93.658			9,499,971	—
Adoption Assistance		93.659	2,339,833	—
Social Services Block Grant Title XX		93.667	3,216,289	—
Independent Living Program - Chafee		93.674	272,909	—
Medical Assistance Program - Title XIX		93.778	5,380,943	—
Passed through Colorado Department of Local Affairs				
Community Service Block Grant	L6CSBG16	93.569	447,104	—
Passed through Aspen Pointe				
Block Grant for Prevention and Treatment of Substance Abuse		93.959	434,430	—
Subtotal - CFDA 93.959			881,534	—
Total U.S. Department Of Health And Human Services			53,550,501	—
White House Office Of National Drug Control Policy (ONDCP)				
Rocky Mountain High Intensity Drug Trafficking Area - HIDTA	G16RM0034A	95.001	1,558	—
Rocky Mountain High Intensity Drug Trafficking Area - HIDTA	G17RM0034A	95.001	517,695	—
Total White House Office Of National Drug Control Policy (ONDCP)			519,253	—
U.S. Department Of Homeland Security				
FEMA DR 4229	15-D4229-021	97.036	180,278	—
Total U.S. Department of Homeland Security			180,278	—
Total Of Federal Awards			\$ 71,451,290	\$ 494,776

EL PASO COUNTY, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended December 31, 2017

1. **Organization**

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of El Paso County, Colorado (the County), for the year ended December 31, 2017. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

2. **Basis Of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County and is presented on the modified accrual basis of accounting. The information in the accompanying schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in the schedule may differ from the amounts presented in, or used in, the preparation of the basic financial statements.

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.

EL PASO COUNTY, COLORADO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2017**

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 in the United States of America		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	___ yes	___ <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		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ yes	___ <input checked="" type="checkbox"/> no

Identification of major federal programs:

<u>CFDA No.</u>	<u>Name Of Federal Program Or Cluster</u>
10.561	Supplemental Nutrition Assistance Program (SNAP) Cluster
17.207, 17.801, 17.804	Employment Services Cluster
17.258, 17.259, 17.278	WIOA Cluster
93.558	Temporary Assistance for Needy Families (TANF)
95.001	High Intensity Drug Trafficking Area (HIDTA)

Dollar threshold used to distinguish between Type A and Type B programs:	\$2,143,539
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Auditee qualified as low-risk auditee?	___ yes	___ <input checked="" type="checkbox"/> no
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EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*)
For The Year Ended December 31, 2017

Section II - Financial Statement Findings

None

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For The Year Ended December 31, 2017

Section III - Federal Award Findings And Questioned Costs

Finding 2017-001

Cash Management and Earmarking

Material Weakness On Internal Control Over Compliance

CFDA 17.258, 17.259, 17.278 - WIOA Cluster

CFDA 17.207, 17.801, 17.804 - Employment Services Cluster

Federal Agency: U.S. Department of Labor

Pass-Through Entity: Colorado Department of Labor

Criteria Or Specific Requirement: The County is responsible for establishing internal controls over cash management and earmarking data to ensure receipts and expenditures of federal reimbursements are in compliance with requirements of the grant.

Condition: Internal controls over the cash management and earmarking compliance requirements are the responsibility of management. The County did not have a monitoring and oversight function in place where a person independent of the input process reviews cash reimbursement and earmarking information to ensure compliance with federal requirements.

Questioned Costs: Not applicable

Context: Program personnel have the ability to electronically request reimbursement for funds spent and calculate earmarking amounts via a system with the pass-through entity. This is change from the former process that required documented manager review. However, there was not a review process in place for another person to verify financial data within the new system.

Effect: There is potential for cash management and earmarking data to be input incorrectly that would go undetected, resulting in incorrect drawdowns of federal funds.

Identification As A Repeat Finding: Not applicable

Recommendation: We recommend the County implement a monitoring and oversight function where a person independent of the input process would review and approve cash reimbursement requests and earmarking calculations entered in the Colorado Department of Labor system for the Employment Services Cluster and the WIOA Cluster.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*)

For The Year Ended December 31, 2017

Views Of Responsible Officials: The County agrees with the finding and has put together a corrective action plan for the finding. See corrective action plan included in this report.

EL PASO COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*)
For The Year Ended December 31, 2017

Finding 2017-002 Allowable Activities and Costs

Significant Deficiency On Internal Control Over Compliance

CFDA 17.258, 17.259, 17.278 - WIOA Cluster

CFDA 17.207, 17.801, 17.804 - Employment Services Cluster

***Federal Agency:* U.S. Department of Labor**

***Pass-Through Entity:* Colorado Department of Labor**

Criteria Or Specific Requirement: Per 2 CFR Part 200, Subpart E - Cost Principles, particular activities are considered allowed and not allowed. Each expenditure that is paid for using federal funds must be considered allowable per the guidance outlined within the respective regulations. The County is expected to have internal controls over the expenditure process that ensures only allowable cost and cost activities are passed through for reimbursement using federal funds.

Condition: The County requires that an employee's supervisor be responsible for review and approval of the said employee's timesheet documented by the supervisor's signature. In the particular instances noted, timesheets were missing the appropriate supervisor signature indicating the internal control took place. The County had improper monitoring of expenditures in order to determine whether the expenditures were appropriate and allowable cost activities to be passed through for reimbursement. There was no documented evidence of an internal control over the expenditure review process.

Questioned Costs: Not applicable.

Context: A nonstatistical sample of 80 transactions was selected for testing, with 3 exceptions noted.

Effect: Due to insufficient documentation of monitoring and internal controls over compliance, the Department may not timely detect an error in allowable costs that may result in questioned costs.

Identification As A Repeat Finding: N/A

Recommendation: RubinBrown recommends program management implement practices to ensure the internal control mentioned is operating effectively and documented as occurring at all times.

Views Of Responsible Officials: The County agrees with the finding and has put together a corrective action plan for the finding. See corrective action plan included in this report.



COMMISSIONERS:
DARRYL GLENN (PRESIDENT)
MARK WALLER (PRESIDENT PRO TEMPORE)

COLORADO

STAN VANDERWERF
LONGINOS GONZALEZ, JR.
PEGGY LITTLETON

FINANCIAL SERVICES DEPARTMENT

BUDGET, CONTRACTS & PROCUREMENT, EMPLOYEE BENEFITS, AND FINANCE

SHERRI L. CASSIDY, CPFO, CHIEF FINANCIAL OFFICER

CORRECTIVE ACTION PLAN
For The Year Ended December 31, 2017

Finding 2017-001

Cash Management and Earmarking
Material Weakness On Internal Control Over Compliance

CFDA 17.258, 17.259, 17.278 – WIOA Cluster
CFDA 17.207, 17.801, 17.804 – Employment Services Cluster
Federal Agency: U.S. Department of Labor
Pass-Through Entity: Colorado Department of Labor

Personnel Responsible for Corrective Action: Traci Marques, Executive Director

Anticipated Completion Date: January 1, 2018

Corrective Action Plan:

Pikes Peak Workforce Center (PPWFC) is a sub-recipient of Colorado Department of Labor and Employment (CDLE). In July 2016, CDLE transitioned their cash request system from a VAX system, where paper requests for cash were required, to an electronic system called CLEAR. The CLEAR system is only accessible to finance staff members Laurie Jervay and Evelyn Ford. The system allows staff to enter cash draws by grant and is limited to the budgets established by CDLE. There is no signature requirement necessary; CDLE has not updated their Finance Policy Guidance Letters since September 25, 2006.

Effective January 1, 2018, PPWFC has established internal procedures in which the Executive Director approves the cash draw and any other accounting entries in to the CLEAR system. The cash request is entered by grant with a pre-assigned program code established by CLDLE. This spreadsheet is uploaded into the system and checks for funds availability. Upon approval, a green face appears and is approved for posting. If funds are not available, a red face appears and funds are declined for posting. Upon posting approval, the spreadsheet is printed for Executive Director approval and dated. The posting process in the CLEAR system is finalized.





COMMISSIONERS:
DARRYL GLENN (PRESIDENT)
MARK WALLER (PRESIDENT PRO TEMPORE)

COLORADO

STAN VANDERWERF
LONGINOS GONZALEZ, JR.
PEGGY LITTLETON

FINANCIAL SERVICES DEPARTMENT

BUDGET, CONTRACTS & PROCUREMENT, EMPLOYEE BENEFITS, AND FINANCE

SHERRI L. CASSIDY, CPFO, CHIEF FINANCIAL OFFICER

Finding 2017-002

Allowable Activities and Costs
Significant Deficiency On Internal Control Over Compliance

CFDA 17.258, 17.259, 17.278 – WIOA Cluster
CFDA 17.207, 17.801, 17.804 – Employment Services Cluster
Federal Agency: U.S. Department of Labor
Pass-Through Entity: Colorado Department of Labor

Personnel Responsible for Corrective Action:

Sherri Cassidy, CPFO, Chief Financial Officer

Anticipated Completion Date:

August 1, 2018

Corrective Action Plan:

The Finance Division is implementing a control to ensure all timecards are appropriately reviewed and approved in a timely manner. Every employee is responsible for approving their own timecard in our time keeping system at the end of every pay period. In addition, every Supervisor is responsible for approving employees assigned to them at the end of every pay period. All timecards must have both an employee and supervisor approval. Reports of any missing approvals will be given to Department Executive Directors bi-weekly, and each Director must verify that all timecards listed on the report are approved, and sign off on them. If there were issues needing to be corrected, departments will submit a historical time correction request. Finance will ensure all reports are verified and returned timely to ensure grant compliance.

