
EL PASO COUNTY PUBLIC HEALTH
*FEDERAL AWARDS REPORTS
IN ACCORDANCE WITH THE
SINGLE AUDIT ACT AND
UNIFORM GUIDANCE
DECEMBER 31, 2017*

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June 20, 2018

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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 Health
El Paso County Public Health
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 and the major fund of El Paso County Public Health (the Department), as of and for the year ended December 31, 2017, and the related notes to financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated June 12, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department'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 Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department'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 Department'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 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 The 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 Health
El Paso County Public Health
Colorado Springs, Colorado

Report On Compliance For The Major Federal Program

We have audited El Paso County Public Health's (the Department) 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 the Department's major federal program for the year ended December 31, 2017. The Department's major federal program is 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 conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Department's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 Department'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 the major federal program. However, our audit does not provide a legal determination of the Department's compliance.

Opinion On The Major Federal Program

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

Report On Internal Control Over Compliance

Management of the Department 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 Department's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Department's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001, that we consider to be a significant deficiency.

The Department's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The Department's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of governmental activities and the major fund of the Department as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements. We have 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 that collectively comprise 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

RubinBrown LLP

June 12, 2018

EL PASO COUNTY PUBLIC HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2017

| Program | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures | Expenditures To Sub-Recipients |
|--|------------------------|---|-------------------------|--------------------------------------|
| Department Of Agriculture | | | | |
| Passed through the Colorado Department of Public Health and Environment | | | | |
| Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | AB17L | \$ 3,421,969 | \$ — |
| Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | AL17L | 45,736 | — |
| Special Supplemental Nutrition Program for Women, Infants, and Children - Non-cash | 10.557 | | 8,307,929 | — |
| Total Department Of Agriculture | | | 11,775,634 | — |
| Environmental Protection Agency | | | | |
| Passed through the Colorado Department of Public Health and Environment | | | | |
| Capitalization Grants for Drinking Water State Revolving Funds | 66.468 | XK11G | 3,230 | — |
| PFC Groundwater Testing | 66.605 | AT16F | 18,496 | — |
| Radon | 66.605 | AS16E | 7,143 | — |
| School Safety Inspection | 66.605 | AT16G | 9,181 | — |
| Total | 66.605 | | 34,820 | — |
| Total Environmental Protection Agency | | | 38,050 | — |
| Department Of Health And Human Services | | | | |
| Passed through the Colorado Department of Public Health and Environment | | | | |
| Public Health Emergency Preparedness | 93.069 | HZ17J | 3,000 | — |
| Public Health Emergency Preparedness | 93.069 | HX18J | 40,977 | — |
| Total | 93.069 | | 43,977 | — |
| HPP - PHEP Aligned Cooperative Programs | 93.074 | HF15J | 18,361 | — |
| HPP - PHEP Aligned Cooperative Programs | 93.074 | HX17J | 81,152 | — |
| HPP - PHEP Aligned Cooperative Programs | 93.074 | HW17J | 593,055 | — |
| Total | 93.074 | | 692,568 | — |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs | 93.116 | LN16H | 7,500 | — |
| Federal Community Interventions | 93.136 | PV16L | 52,862 | — |
| Family Planning - Services | 93.217 | JA17L | 88,625 | — |
| Immunization Cooperative Agreements | 93.268 | KA16H | 158,499 | — |
| Immunization Cooperative Agreements | 93.268 | KT17H | 12,500 | — |
| Total | 93.268 | | 170,999 | — |
| Immunization Core Services | 93.539 | JG17H | 50,120 | — |
| Teen Suicide Prevention | 93.624 | ZM16L | 93,193 | — |
| Emergency Preparedness | 93.755 | WP17H | 2,400 | — |
| Preventive Health and Health Services Block Grant | 93.758 | HC16A | 12,500 | — |
| Preventive Health Services - Sexually Transmitted Diseases Control Grants | 93.977 | KB17H | 23,100 | — |
| Maternal and Child Health Services Block Grant to the States | 93.994 | NB17L | 344,434 | — |
| Maternal and Child Health Services Block Grant to the States | 93.994 | NB18L | 175,066 | — |
| Total | 93.994 | | 519,500 | — |
| Total Department Of Health And Human Services | | | 1,757,344 | — |
| Total Expenditures Of Federal Awards | | | \$ 13,571,028 | \$ — |

EL PASO COUNTY PUBLIC HEALTH

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2017

1. **Basis Of Presentation And Basis Of Accounting**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of El Paso County Public Health (the Department) 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.

2. **Noncash Items**

The Special Supplemental Food Program for Women, Infants, and Children, CFDA No. 10.557, includes \$8,307,929 of food vouchers provided to individuals in the Department's service area, as reported by the Colorado Department of Public Health and Environment.

3. **Indirect Costs**

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

EL PASO COUNTY PUBLIC HEALTH

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 no
- Significant deficiency(ies) identified? ___ yes none noted

Noncompliance material to financial statements noted?

___ yes no

Federal Awards

Internal control over major federal program:

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

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

Unmodified

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

___ yes no

Identification of major federal program:

| CFDA Number(s) | Name Of Federal Program Or Cluster |
|----------------|------------------------------------|
|----------------|------------------------------------|

| | |
|--------|--|
| 10.557 | U.S. Department of Agriculture - Special Supplemental Nutritional Program for Women, Infants, and Children |
|--------|--|

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

___ yes no

EL PASO COUNTY PUBLIC HEALTH

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

Section II - Financial Statement Findings

There were no findings relating to the Department's financial statements that are required to be reported.

Section III - Federal Award Findings And Questioned Costs

Finding 2017-001 Allowable Activities and Costs

Significant Deficiency On Internal Control Over Compliance

CFDA 10.557 - Special Supplemental Nutritional Program for Women, Infants, and Children (WIC)

Federal Agency: U.S. Department of Agriculture

Pass-Through Entity: Colorado Department of Public Health and Environment

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 Department 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 Department 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 particular instances noted, timesheets were missing the appropriate supervisor signature indicating the internal control took place. The Department had improper monitoring of expenditures in order to determine whether the expenditures were appropriate, allowable and 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 25 transactions was selected for testing, with 1 exception noted.

EL PASO COUNTY PUBLIC HEALTH

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

Effect: Due to insufficient 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 at all times.

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



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Director's Office

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CORRECTIVE ACTION PLAN
For The Year Ended December 31, 2017

Finding 2017-001

Allowable Activities and Costs

Significant Deficiency On Internal Control Over Compliance

CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

Federal Agency: U.S. Department of Agriculture

Pass-Through Entity: Colorado Department of Public Health and Environment

Personnel Responsible for Corrective Action:

Dan Martindale, Public Health Director

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.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dan Martindale".

Dan Martindale
Director, El Paso County Public Health