2013
Larimer County, Colorado
Single Audit

Year Ended
December 31, 2013

ANDERSON & WHITNEY

A Professional Corporation of
Certified Public Accountants

Independent Auditors' Report on Additional Information

Board of County Commissioners
Larimer County, Colorado

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Larimer County, Colorado, as of and for the year ended December 31, 2013, and have issued our report thereon dated June 24, 2014. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Larimer County, Colorado's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Anderson + Whitney, P.C.

June 24, 2014

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LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2013

	Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2013 Expenditures
	DEPARTMENT OF AGRICULTURE				
	GENERAL/NATURAL DISASTER:				
*	Emergency Watershed Protection	10.923	68-8B05-A-12-08	9/12-8/14	$ 1,417,056
*	Technical Assistance Emergency Watershed Protection	10.923	68-8B05-A-13-04	7/13-8/14	53,672
					1,470,728
	PEST CONTROL:				
*	Canyon Lakes Ranger District Noxious Weed	10.000	12-PA-11021005-043	11/12-09/14	82,833
	State Department of Agriculture				
	Early Detection and Rapid Respond	10.000	12000000118	07/12-10/13	20,000
					102,833
	State Department of Natural Resources				
	OPEN LANDS:				
	Chimney Hollow Front Range Fuels Treatment Partnership	10.664	1929300-FC-05	06/11-10/13	50,000
	Hermit Park Front Range Fuels Treatment Partnership	10.664	5367710-3	06/11-09/13	40,000
	Horsetooth Mountain Open Space Front Range Fuels Treatment Partnership	10.664	1929100-2FC-1	11/11-06/13	18,800
					108,800
	State Department of Human Services				
	HUMAN SERVICES:				
**	Food Assistance Administration	10.561	ABA-13-04-A	07/13-06/14	2,031,338
	State Department of Public Health and Environment				
	HEALTH AND ENVIRONMENT:				
	Special Supplemental Food Program for Women, Infants and Children (WIC)	10.557	WIC1347939	10/12-09/13	642,130
	Special Supplemental Food Program for Women, Infants and Children (WIC)	10.557	WIC1458769	10/13-09/14	190,021
	Women, Infants and Children (WIC) Breastfeeding	10.557	WIC1348433	10/12-09/13	37,072
	Women, Infants and Children (WIC) Breastfeeding	10.557	WIC1458813	10/13-09/14	6,864
	WIC Food Vouchers	10.557	-	01/13-12/13	2,507,927
					3,384,014
	Total Department of Agriculture				7,097,713
	DEPARTMENT OF HEALTH AND HUMAN SERVICES				
	HUMAN SERVICES:				
*	No Place Like Home	93.605	90CF0051	10/13-09/14	550,004
	State Department of Human Services				
**	Special Programs for the Aging - Title III:				
	Area Plan Administration	93.044	02A-89	07/13-06/14	74,547
	Part B	93.044	02A-89	07/13-06/14	249,318
	Part C-1	93.045	02A-89	07/13-06/14	224,886
	Part C-2	93.045	02A-89	07/13-06/14	176,137
	Part D	93.043	02A-89	07/13-06/14	16,940
	Part E	93.052	02A-89	07/13-06/14	89,849
	Ombudsman	93.042	02A-89	07/13-06/14	13,860
	Nutrition Services Incentive Program	93.053	02A-89	07/13-06/14	62,167
**	Veteran's Options Counseling	93.048	1300005	01/12-09/12	18,000
**	Title IV-E FC	93.658	ABA-13-04-A	07/13-06/14	2,963,841
**	Child Support Enforcement:				
	Federal Income to Counties	93.563	ABA-13-04-A	01/13-12/13	1,791,596
	Child Support Enforcement: ARRA	93.563	-	2013	499
**	Child Abuse and Neglect Discretionary Activities	93.670	CWSX1012474	10/11-09/13	13,125
**	Child Care	93.596	ABA-13-04-A	07/13-06/14	2,748,134
**	Family Preservation	93.556	13 IHA 56371	07/13-06/14	210,647
**	Colorado Works	93.558	ABA-13-04-A	07/13-06/14	7,165,206
**	Title IV-E Independent Living	93.674	-	07/13-06/14	119,045
**	Community Services Block Grant (Title XX)	93.667	ABA-13-04-A	07/13-06/14	1,696,178
**	Child Welfare Services-Maintenance Assistance:				
	Title IV-B	93.645	ABA-13-04-A	07/13-06/14	118,833

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LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2013

	Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2013 Expenditures
**	Medicaid Title XIX: Child Services	93.778	ABA-13-04-A	07/13-06/14	$ 1,267,209
**	Low-Income Energy Assistance Program (LEAP)	93.568	ABA-13-04-A	07/13-06/14	1,626,451
**	Adoption	93.659	ABA-13-04-A	07/13-06/14	496,220
**	Child Care and Development Block Grant	93.575	ABA-13-04-A	07/13-06/14	338,001
**	IV-E Lump Sum	93.658	ABA-13-04-A	07/13-06/14	261,871
**	Public Assistance Reporting Information System	93.647	-	04/12-06/12	9,645
**	Trauma Informed System of Care	93.243	DBHM1400042	10/13-09/14	72,628
					22,374,837
	State Department of Local Affairs				
	Community Services Block Grants:				
	GENERAL/NATURAL DISASTER:				
	High Park/Woodland Heights Fire-Emergency Recovery	93.569	L13CSBG82	12/12-09/13	38,500
	HUMAN SERVICES:				
**	Health and Human Services	93.569	L12CSBG27	03/12-02/15	317,416
	State Department of Health Care Policy & Financing				
	HEALTH AND ENVIRONMENT:				
	Healthy Communities Outreach and Case Management:				
	Children's Health Insurance Program - CHIP	93.767	CMS24571	07/12-06/13	8,943
	Children's Health Insurance Program - CHIP	93.767	CMS24571	07/13-06/14	9,805
	Medical Assistance Program - EPSDT	93.778	CMS24571	07/12-06/13	31,083
	Medical Assistance Program - EPSDT	93.778	CMS24571	07/13-06/14	34,080
					83,911
	HUMAN SERVICES:				
**	Money Follows the Person (CCT)	93.791	13-49918	12/12-11/14	43,632
**	Single Entry Point	93.778	-	07/12-08/13	669,758
					713,390
	State Department of Public Health and Environment				
	HEALTH AND ENVIRONMENT:				
	Bioterrorism Public Health Preparedness	93.069	EPR1341903	08/12-06/13	129,117
	Bioterrorism Public Health Preparedness	93.069	EPRI1454007	07/13-06/14	110,647
	Infertility Prevention Project	93.977	EPI13000118	03/13-12/13	23,100
	Family Planning	93.217	PPG1243687	07/12-06/13	227,153
	Family Planning	93.217	PSD1355335	07/13-06/14	62,390
	Family Planning Payments	93.217	-	01/13-12/13	39,814
	Immunization Coalition	93.268	EPI13000072	01/13-12/13	5,264
	Immunization Action Plan (CDC)	93.268	EPI1350125	01/13-12/13	91,147
	VFC Site Visits	93.268	EPI13000105	02/13-10/13	3,550
	Maternal and Child Health Services Block Grant:	93.994			
	Care Coordination		MCH1348080	10/12-09/13	31,705
	Care Coordination		MCH1459148	10/13-09/14	3,201
	Medical Home		MCH1348080	10/12-09/13	27,053
	Medical Home		MCH1459148	10/13-09/14	5,600
	Children and Adolescents		MCH1348080	10/12-09/13	27,993
	Children and Adolescents		MCH1459148	10/13-09/14	6,981
	Prenatal		MCH1348080	10/12-09/13	77,516
	Prenatal		MCH1459148	10/13-09/14	23,228
	West Nile Virus Prevention	93.521	EPI13000144	06/13-09/13	6,497
	Tuberculosis Control Program	93.116	EPI1344714	07/12-06/13	4,483
	Tuberculosis Control Program	93.116	EPI1455220	07/13-06/18	7,500
	Refugee Screening	93.566	EPI13001537	07/12-06/13	100
	Public Health Improvement (CHAPS)	93.991	ADM14000023	10/13-09/14	10,000
					924,039
	Total Department of Health and Human Services				24,452,093

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LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2013

	Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2013 Expenditures
	DEPARTMENT OF HOMELAND SECURITY				
	State Department of Public Safety				
	GENERAL:				
	Emergency Management Performance Grant	97.042	12EM-13-36	2013	$ 55,500
	Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
	VARIOUS FUNDS				
(1)	2012 High Park Fire Disaster	97.036	13-D4067-36	06/12-12/12	68,662
	VARIOUS FUNDS				
	2013 Flood Disaster	97.036	14-D4145-014	09/13-09/18	936,668
					1,005,330
	Total Department of Homeland Security				1,060,830
	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
	State Department of Local Affairs				
	HUMAN SERVICES:				
	Community Development Block Grants:				
**	Home Investment	14.239	H2CDB12041	01/12-06/14	30,732
	Total Department of Housing and Urban Development				30,732
	DEPARTMENT OF INTERIOR				
	PARKS:				
*	Implementation of Water Management & Conservation	15.524	R11AC60131	10/11-04/15	1,215
*	Integrated Pest Management Plan for Noxious Weeds	15.524	R12AC60021	02/12-09/16	26,000
*	Pinewood Reservoir Recreation Facilities	15.524	R13AC60028	09/13-09/14	771
	Total Department of Interior				27,986
	DEPARTMENT OF JUSTICE				
	State Department of Public Safety:				
	GENERAL:				
	Victim of Crime Act	16.575	11-VA-8-40	01/13-12/13	81,031
	Victim of Crime Act	16.575	11-VA-8-114	01/13-12/13	26,117
					107,148
	CRIMINAL JUSTICE SERVICES:				
	Edward Byrne Memorial Justice Assistance:				
	Employment Success	16.738	DJ-12-000058-04-2	10/12-09/13	34,289
	Employment Success	16.738	DJ-13-001436	10/13-09/14	13,347
	Dream Builders	16.738	10-DJ-04-15-2	08/12-09/13	55,273
	Residential Substance Abuse Treatment	16.593	2012-RS-01	01/12-12/13	14,358
					117,267
	HUMAN SERVICES:				
**	Juvenile Accountability Block Grant	16.523	11-JB-L-08-19	10/12-09/13	31,979
	Total Department of Justice				256,394
	DEPARTMENT OF LABOR				
	State Department of Labor and Employment				
	WORKFORCE CENTER:				
	Workforce Investment Act:				
	Wagner-Peyser Base	17.207	-	2013	575,375
	Wagner-Peyser Employment Support Fund	17.207	-	2013	345,528
	Wagner-Peyser Governor's Summer Job Hunt	17.207	-	2013	41,000
	Performance Incentive	17.207	-	2013	18,545
	Wagner Peyser Business Events	17.207	-	2013	13,122
	Unemployment Insurance	17.225	-	2013	28,396
	Federal Emergency Unemployment Compensation	17.225	-	2013	112,196
	Trade Adjustment Act - Case Management	17.245	-	2013	74,070
	Adult	17.258	-	2013	431,555
	Adult 10% SECTORS - Get Into Water Project	17.258	-	2013	39,267
	Youth In School	17.259	-	2013	159,450

Continued on next page

LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2013

Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2013 Expenditures
WIA Youth Corps In School	17.259	-	2013	$ 9,227
Youth Out of School	17.259	-	2013	510,070
WIA Youth Corps Out of School	17.259	-	2013	58,231
H-1B Technical Skills Training	17.268	-	2013	337,004
National Emergency Grant On-the-Job Training	17.277	-	2013	88,543
25% Dislocated Worker - UI Claimant Discretionary	17.278	-	2013	14,238
Dislocated Worker	17.278	-	2013	577,073
UI Initiative Claimant Discretionary	17.278	-	2013	84,094
UI Pilot	17.278	-	2013	36,257
Disabled Veterans Outreach Program	17.801	-	2013	18,000
Veterans Workforce Investment Program	17.802	-	2013	49,113
Local Veterans Employment Representative	17.804	-	2013	9,000
Total Department of Labor				3,629,354
DEPARTMENT OF TRANSPORTATION				
State Department of Natural Resources				
OPEN LANDS:				
Horsetooth Shore to Shore Trails	20.219	C170823	12/11-06/14	10,943
State Department of Transportation				
ROAD AND BRIDGE:				
Bridge Replacement on LCR11C	20.205	10-HA419371	09/10-09/15	49,152
Bridge Replacement on Shields Street	20.205	12-HA436014	11/11-11/16	199,724
Bridge Replacement No 50-0.0-17	20.205	13-HA46009	07/12-07/17	200,561
				449,437
Total Department of Transportation				460,380
ENVIRONMENTAL PROTECTION AGENCY				
State Department of Public Health and Environment				
HEALTH AND ENVIRONMENT:				
Air Pollution PM2.5	66.034	AIR1343794	07/12-06/13	235
Air Pollution PM2.5	66.034	AIR1455599	07/13-06/14	457
Total Environmental Protection Agency				692
Total Expenditures of Federal Awards				$ 37,016,174

Explanatory Notes:
* Direct Federal Assistance Programs.
** Federal Share Computed Using Percentages Provided by the State Department of Human Services.
ARRA identifies American Recovery and Reinvestment Act funding.
(1) The expenditures for these grants include expenditures from prior years.
The County has no significant subrecipients.

The accompanying schedule of expenditures of federal awards is a summary of the activity of the County's federal award programs presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

ANDERSON & WHITNEY

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Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Board of County Commissioners
Larimer County, Colorado

We have audited in accordance with auditing standards generally accepted in the United States 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 Larimer County and the related notes to the financial statements as of and for the year ended December 31, 2013, and have issued our report thereon dated June 24, 2014.

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 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 County'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 would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Larimer County's financial statements are free of 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.

Anderson + Whitney, P.C.

June 24, 2014

ANDERSON & WHITNEY

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Report on Compliance for Major Federal Programs and
Report on Internal Control Over Compliance Required by OMB Circular A-133

Board of County Commissioners
Larimer County, Colorado

Report on Compliance for Major Federal Programs

We have audited the compliance of Larimer County, Colorado with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013. Larimer 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the 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 Larimer County's compliance.

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Opinion on Major Federal Programs

In our opinion, Larimer County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2013.

Internal Control Over Compliance

The management of Larimer 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 Larimer County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance for each major federal program, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

Other Matter

The results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-1 through 2013-5.

Larimer County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Larimer County's responses 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Anderson & Whitney, P.C.

July 24, 2014

LARIMER COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

SUMMARY OF AUDITORS' RESULTS

➢ Type of report issued on financial statements	Unmodified
➢ Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified	None reported
➢ Noncompliance material to the financial statements noted	No
➢ Internal control over federal awards:	
Material weaknesses identified	No
Significant deficiencies identified	Yes
➢ Type of report issued on major programs	Unmodified
➢ Audit findings disclosed	None under .510(a). See others below.
➢ Major programs	10.557 Special Supplemental Food Programs Women, Infants and Children 93.658 Title IV-E (Foster Care) 93.667 Title XX Social Services Block Grant 93.778 Medicaid Title XIX: Child Services 10.923 Emergency Watershed Protection and Technical Assistance 93.605 No Place Like Home 97.036 Disaster Grants
➢ Dollar threshold between Type A and Type B programs	$1,110,485
➢ Low-risk auditee	Yes

FINDINGS RELATED TO FINANCIAL STATEMENTS

- None Reported

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

- **Finding 2013-1:**

CFDA 93.778 Medicaid Title XIX: Child Services

Pass-Through Agency: Colorado Department of Human Services

Criteria: *Eligibility* – The Code of Colorado Regulations specific to the Department of Health Care Policy and Financing indicates the County is required to secure information concerning health insurance or other medical coverage of an individual at the time that individual applies or is predetermined eligible for public assistance. This information should be entered onto the Client Health Resource Information Form (MS-10.)

Condition: Out of 25 files tested, five children were missing client health insurance forms (MS-10) that comprised eight instances in the sample.

Questioned Costs: None, as the individuals in the cases noted may be eligible for the program.

Context: Information on the MS-10 is entered into computerized files and serves as the basis for claims payment or denial. File documentation at the County does not support the eligibility determination in four instances.

Effect: Claims could be improperly paid or denied.

Cause: This appears to have been an oversight.

Recommendation: We recommend including the client health insurance form (MS-10) for every client.

Management's Response: *Agree*

Corrective Action:

Contact Person: Catherine Weaver, Social Casework Manager

Corrective Action Planned:

1. The caseworker assigned to the case is responsible for ensuring that the MS-10 form is completed for children who are placed in the legal custody of LCDHS. In an effort to ensure documentation is correct for all children, an MS-10 form will be requested for all children involved in a traditional case regardless of the child's legal custody status.
2. If a child is later placed in the custody of the Department, clerical staff will send a follow up request, if the MS-10 form has not been previously obtained, the same day that the clerical staff is notified the child has been placed in the legal custody of the LCDHS. Clerical staff will document in the Colorado TRAILS System in the "notes" section of the child's case that the caseworker has been notified of the requirement for the MS-10.

3. The caseworker will have two business days to return the MS-10 form to the clerical staff, if the form is not returned by the designated due date, clerical staff will send a follow up email to both the caseworker and supervisor outlining the requirement for the MS-10. Clerical staff will place a copy of the MS-10 form in the caseworker's box with a note highlighting the child's name and the due date for the form. Clerical staff will document the follow up email has been sent in Colorado TRAILS System in the "notes" section of the child's case.
4. When the MS-10 form is received by the clerical staff, receipt of the document will be documented in the Colorado TRAILS System in the "notes" section for the child's case.
5. Clerical staff will mail a completed copy of the MS-10 form to Health Care Policy & Financing and a copy of the MS-10 will be stored in the county's computerized filing system (SIRE). The MS-10 form will be filed as a standalone document in the financial category, sub-category M10.
6. Clerical staff will verify the MS-10 form is in each case file as part of routine caseload checks; a caseload check is where the case file is reviewed for required documentation and forms.
7. As an additional support to this process, the Title IV-E determination worker will send a reminder email each time an initial determination is completed. The IV-E worker will email the caseworker, clerical staff, and supervisor for the client. The email will document the requirement for the MS-10 and request to obtain if one has not been completed.

- **Finding 2013-2:**

CFDA 10.557 Special Supplemental Foods Programs for Women, Infants and Children

Pass-Through Agency: Department of Public Health and Environment

Criteria: *Eligibility* – To be certified eligible for the WIC program there are eligibility criteria that must be met. One criteria is based on nutritional risk and includes a hematological test for anemia. The WIC Manual addresses the timing of this criterion in Section III: Anemia and Blood Collection. It is required at the certification visit.

Condition: Out of 25 files tested, one instance was noted in which certification was completed on March 28, 2013 and the hemoglobin screening was not completed until September 5, 2013.

Questioned Costs: None, as the woman may be eligible.

Context: The WIC Manual Section III documents that adequate iron is critical during pregnancy. The only way a woman can know if her iron is adequate is by testing.

Effect: WIC services were provided to an individual for nearly six months that did not meet all the eligibility criteria.

Cause: This appears to be an oversight during this certification visit.

Recommendation: We recommend developing procedures to ensure pregnant women have required hematological tests for anemia at their certification visit.

Management's Response: *Agree*

Corrective Action:

Contact Person: Ingrid Rosoff, Nutrition Supervisor

Corrective Action Planned:

The client in question is eligible for WIC benefits, as she met all the criteria for living in Larimer County, had a verifiable identification, met the income guidelines and had a qualifying nutrition risk factor-"overweight." All of these criteria were documented in the clients' *Compass* computer file. The one procedure that was missed was the hemoglobin procedure which is required at certification visits. While this is an important anthropometric measure of health status, WIC is not the sole place for checking a woman's iron status. This procedure is a routine test for pregnant woman and is done at their medical provider's office.

Action plans to address this audit finding have already started. I have discussed this oversight with the WIC staff at several staff meetings and stressed the importance of this test. The employee who saw the client no longer works for WIC, as she has since retired. Supervisors, who are tasked with conducting client chart audits, are aware of this audit finding. In addition, staff have been asked to check the client visit summary before the client leaves the office, as a quality control.

- **Finding 2013-3:**

CFDA 93.658 Title IV-E (Foster Care)

Pass-Through Agency: Colorado Department of Human Services

Criteria: ***Activities Allowed/Allowable Costs*** – The rate paid for a child in County Kinship or Foster Home is based on the child's age.

Condition: Out of 25 files tested, we noted one instance in which a provider was paid the four year old rate for a child that turned five the previous month.

Questioned Costs: The four year old rate is $16.34 and the five year old rate is $14.72. An extra $1.62 per day was paid for seven days totaling an excess payment of $11.34.

Context: The allowed cost was $14.72 for five year old children per the Larimer County Rates sheet. Unallowed costs of $11.34 was paid.

Effect: Federal funds were expended that should not have been.

Cause: This is believed to be an oversight by the staff member while entering the rates and not recognizing the child would have a birthday during the authorization period resulting in a different rate.

Recommendation: We recommend more care be exercised over determining the age of the child.

Management's Response: *Agree*

Corrective Action:

Contact Person: Catherine Weaver, Social Casework Manager

Corrective Action Planned:

1. The current process for monitoring rate changes is done so through a county developed *Crystal* report which is run monthly. Upon review of this error it appears the report may be dropping clients who are closed within the month.
2. The county will review the report design with the report developer to correct the reporting error.

➢ **Finding 2013-4:**

CFDA 93.658 Title IV-E (Foster Care)

Pass-Through Agency: Colorado Department of Human Services

Criteria: ***Activities Allowed/Allowable Costs*** – Agreements to Purchase Out-Of-Home Placement Services are put in place for children in Foster Family Home Care. The administrative maintenance approved to be paid per day is part of this agreement.

Condition: Of the 25 files tested, we noted one instance in which the Agreement to Purchase Out-Of-Home Placement Services indicated the approved daily rate administrative maintenance was $8.09 and the TRAILS system indicated the rate being paid was $11.34.

Questioned Costs: For 21 days, a total of $68.25 was overpaid.

Context: The allowed cost was $8.09 daily per the Agreement to Purchase Out-Of-Home Placement Services. Unallowed costs of $3.25 were paid for 21 days totaling $68.25.

Effect: Federal funds were used to pay for unallowed costs.

Cause: It appears to be a data entry error into TRAILS.

Recommendation: We recommend additional controls be considered over determining appropriate placement rates.

Management's Response: *Agree*

Corrective Action:

Contact Person: Catherine Weaver, Social Casework Manager

Corrective Action Planned:

1. At the time this error occurred the functions and responsibilities for rate establishment were split between two different units within the division. This has since been modified as the process felt fragmented and was impacting effective communication and timeliness of rate establishment.
2. Rates negotiation, TRAILS entry, and contracts are all now under one unit and supervisor.
3. A Program Quality Assurance Coordinator negotiates rates directly with the CPA agency and established the rate structure. The rates are documented on a level of care form for each child. This document is provided to the income maintenance technician who approves the CPA placement in TRAILS and enters the rates. This form is also provided to the clerical support staff who drafts the OOH Placement contract.
4. At the time the contract is drafted the clerical support staff reviews the rate in TRAILS to verify the rates are documented correctly in both places.
5. The clerical staff also reviews the contract after all signatures have been obtained prior to filing the contract in the electronic filing system.

➢ **Finding 2013-5:**
CFDA 10.923 Emergency Watershed Protection and Technical Assistance

Pass-Through Agency: Colorado Department of Agriculture

Criteria: ***Suspension and Debarment*** – Nonfederal entities are prohibited from contracting with parties who are suspended or debarred from federal awards. For certain covered transactions over $25,000, the program must verify that an entity is not suspended or debarred through the Excluded Parties List System (EPLS), alternative certification, or contract language.

Condition: One contractor was not checked against EPLS and three others did not have screen prints from EPLS to document the contractors were timely checked.

Questioned Costs: None.

Context: Attachment B, General Terms and Conditions, of the grant document, section b. states the recipient, and any recipients of any subawards under this award, assures and certifies that it will comply with specific regulations. Line item 1 identifies 7 CFR Part 3017, "Governmentwide Debarment and Suspension."

Effect: Amounts may be paid to parties not eligible to receive federal funding.

Cause: The contractor not checked was inadvertently missed. The other three have worked with the County on other projects and were checked when they were awarded the bid, but a copy of the EPLS check was not maintained.

Recommendation: We recommend controls be better designed to ensure all contractors are checked against the EPLS database.

Management's Response: *Agree*

Corrective Action:

Contact Person: Linda Sanders, Business Operations Manager

Corrective Action Planned:
To check the EPLS and file the findings at time of bid award.

LARIMER COUNTY, COLORADO

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended December 31, 2013

- **FINDING 2012-1:**

  CFDA 17.258, 17.259, 17.260 and 17.278 WIA Cluster

  Pass-Through Agency: Colorado Department of Labor and Employment

  Criteria: ***Eligibility*** – Before receiving training services, an adult or dislocated worker must be unable to obtain grant assistance from other sources.

  Condition: Out of 25 files tested, one client may have been eligible for grant assistance through a PELL grant. The client file does not include documentation to support this was checked.

  Questioned Costs: None. The client may not be eligible for PELL grant assistance.

  Context: Review of the client file indicates the client had a GED credential and was earning $12.95 per hour. This fits the profile of a person that may be eligible for PELL grant assistance.

  Effect: A client may have received training services prior to meeting all of the eligibility requirements.

  Cause: There is not a specific form that documents the client is unable to obtain grant assistance.

  Recommendation: We recommend a specific form be included in client files to document this eligibility component.

  Management's Response: *Agree*

  Corrective Action:

  Contact Person: Mark Johnston, WIA Center Manager

  Status: Implemented

LARIMER COUNTY, COLORADO

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS - Continued

Year Ended December 31, 2013

Finding 2012-2:

CFDA 17.258, 17.259, 17.260 and 17.278 WIA Cluster

Pass-Through Agency: Colorado Department of Labor and Employment

Criteria: The county is required to have appropriate internal controls in place to detect and prevent non-compliance with federal requirements.

Condition: Inspection of the WIA Center File Audits for 2012 indicates multiple instances in which a file review was completed that required follow up. There is not an indication that the follow up was completed.

Questioned Costs: None

Context: Quarterly internal reviews of files are used to identify deficiencies in client files that need to be corrected to ensure compliance with federal requirements. The WIA Center file audits report documents the file reviewed, date reviewed, program and counselor. In addition, there are columns that specifically address if follow up on the file is required and another for the completion of the follow up.

Effect: Client files may not contain the appropriate documentation required.

Cause: There is not a process in place to ensure deficiencies identified during quarterly reviews have been corrected.

Recommendation: We recommend developing a process for timely follow up of deficiencies noted during quarterly internal reviews.

Management's Response: *Agree*

Corrective Action:

Contact Person: Mark Johnston, WIA Center Manager

Status: Implemented