



Federal Awards Reports in Accordance
with the Uniform Guidance
December 31, 2018
Douglas County

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	1
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	3
Schedule of Expenditures of Federal Awards.....	6
Notes to Schedule of Expenditures of Federal Awards	8
Schedule of Findings and Questioned Costs.....	9



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of County Commissioners
Douglas County
Castle Rock, CO

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Douglas County, as of and for the year then ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Douglas County’s basic financial statements and have issued our report thereon dated April 30, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Douglas 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 Douglas County's internal control. Accordingly, we do not express an opinion on the effectiveness of Douglas 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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Douglas 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*.

Douglas County's Response to the Finding

Douglas County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Douglas County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Sully LLP".

Denver, Colorado
April 30, 2019



Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Board of County Commissioners
Douglas County
Castle Rock, CO

Report on Compliance for Each Major Federal Program

We have audited Douglas County’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Douglas County’s major federal programs for the year ended December 31, 2018. Douglas County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Douglas County’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 Douglas 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 Douglas County’s compliance.

Opinion on Each Major Federal Program

In our opinion, Douglas 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, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2018-002, 2018-003, and 2018-004. Our opinion on each major federal program is not modified with respect to these matters.

Douglas County's response to the noncompliance findings identified in our audit is described in the accompanying corrective action plan. Douglas County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Douglas 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 Douglas 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 Douglas 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 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 and significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2018-002, 2018-003 and 2018-004 that we consider to be significant deficiencies.

Douglas County's response to the internal control over compliance findings identified in our audit is described in the accompanying corrective action plan. Douglas County'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 the governmental activities, each major fund, and the aggregate remaining fund information of Douglas County as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Douglas County's basic financial statements. We issued our report thereon dated April 30, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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.

Eide Bailly LLP

Denver, Colorado
April 30, 2019

Douglas County
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Numbers	Pass-Through Entity Identifying Number	Expenditures as of 12/31/2018	Amounts Passed- Through to Subrecipients
U.S. Department of Agriculture				
Passed-through Colorado Department of Human Services				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	*	\$ 588,406	\$ -
SNAP Cluster			588,406	
State Administrative Matching Grants for the Watershed Rehabilitation Program	10.916	60-8B05-A14-02	101,221	-
Emergency Food Assistance Program Cluster			101,221	-
Total U.S. Department of Agriculture			689,627	
U.S. Department of Housing and Urban Development				
Community Development Block Grants/Entitlement Grants	14.218	B-15-UC-08-0004	61,433	56,633
CDBG-Entitlement Grants Cluster			61,433	56,633
Total U.S. Department of Housing and Urban Development			61,433	56,633
U.S. Department of Justice				
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0159	53,041	-
Passed-through Colorado Department of Public Safety, Division of Criminal Justice				
Equitable Sharing Program	16.922	*	146,075	-
Total U.S. Department of Justice			199,116	-
U.S. Department of the Treasury				
Passed-through Colorado Department of Public Safety, Division of Criminal Justice				
Equitable Sharing Program	21.016	*	91,778	-
Total U.S. Department of the Treasury			91,778	-
U.S. Department of Homeland Security				
Passed-through The North Central Region	97.067	*	35,612	-
Total U.S. Department of Justice			35,612	-
U.S. Department of Transportation				
Passed-through Regional Transportation District				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	18-HTR-ZL-00131 18-HTR-ZL-00130	341,641	-
Transit Services Cluster			341,641	-
Passed-through DRCOG				
Denver Regional Council of Government Installation IT	20.205	EX 17030, EX 17028	54,859	-
Highway Planning and Construction Cluster			54,859	-
Total U.S. Department of Transportation			396,500	-

Douglas County
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Numbers	Pass-Through Entity Identifying Number	Expenditures as of 12/31/2018	Amounts Passed- Through to Subrecipients
U.S. Department of Health and Human Services				
Pass-through Colorado Department of Human Services				
Temporary Assistance for Needy Families (TANF)	93.558	*	\$ 1,054,751	\$ -
TANF Cluster			<u>1,054,751</u>	<u>-</u>
Child Support Enforcement	93.563	*	889,954	-
Low-Income Home Energy Assistance Program	93.568	*	558	-
Child Care and Development Block Grant	93.575	*	562,151	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	*	305,871	-
CCDF Cluster			<u>868,022</u>	<u>-</u>
Stephanie Tubbs Jones Child Welfare Services	93.645	*	133,777	-
Program Foster Care Title IV-E	93.658	*	1,529,634	-
Adoption Assistance	93.659	*	222,840	-
Social Services Block Grant	93.667	*	616,302	-
Guardianship Assistance	93.090	*	10,934	-
Pass-through Colorado Department of Local Affairs				
Community Services Block Grant	93.569	L15CSBG14	73,819	-
Community Services Block Grant	93.569	L18CSBG77	29,500	-
Total Community Services Block Grant			<u>103,319</u>	<u>-</u>
Pass-through Colorado Office of Behavioral Health				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	93.104	CTGG1 1HJA	81,600	-
Total Department of Health and Human Services			<u>5,511,691</u>	<u>-</u>
Pass-through Colorado Department of Health Care Policy and Financing				
Medical Assistance Program	93.778	*	1,068,670	-
Medicaid Cluster			<u>1,068,670</u>	<u>-</u>
Total Department of Health Care Policy and Financing			<u>1,068,670</u>	<u>-</u>
Executive Office of the President				
High Intensity Drug Trafficking Area Program	95.001	G17RM0004A G18RM0004A	2,204,003	-
Total Executive Office of the President			<u>2,204,003</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 10,258,430</u>	<u>\$ 56,633</u>

* Number not readily available

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Douglas County (the Organization) under programs of the federal government for the year ended December 31, 2018. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Douglas County, it is not intended to and does not present the financial position or changes in net position or fund balance of Douglas County.

Note B - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the Generally Accepted Accounting Principles (GAAP) basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C - Indirect Cost Rate

The Organization has not elected to use the 10% de minimis cost rate.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	Yes

Identification of major programs:

Name of Federal Program	CFDA Number(s)
Child Care and Development Fund (CCDF) Cluster	93.575 & 93.596
Temporary Assistance for Needy Families (TANF) Cluster	93.558
Medical Assistance Program (Medicaid) Cluster	93.778
Social Services Block Grant (SSBG)	93.667
Child Support Enforcement (CSE)	93.563

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

**2018-001 Change in reporting entity – Addition of previously excluded component unit
Significant deficiency**

Criteria: GASB Codification Section 2100, *Defining the Financial Reporting Entity*, defines the financial reporting entity as the primary government and organizations for which the primary government is financially accountable (component units). The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. One criteria for financial accountability is that the primary government is accountable for an organization if they appoint a voting majority of the organization’s board and if they are able to impose its will on that organization.

Condition: During 2018, the County performed an assessment of potential component units. Based on the assessment, management re-evaluated prior year assessments and determined that the Douglas County Deputy Sheriff’s Association (DCDSA) should be included within the reporting entity as a blended component unit.

Cause: Upon creation of the DCDSA, the County determined it was insignificant and did not include in the County’s financial statements. Since the inception of the DCDSA, the off-duty program has grown and includes a significant amount of revenue and expenditures.

Effect: The County has financial accountability for the Douglas County Deputy Sheriff’s Association causing the need for it to be included as a blended component unit. Excluding the DCDSA would have resulted in the financial statements excluding activity of an organization in which the County has financial accountability.

Recommendation: The County has appropriately brought the entity in as a non-major special revenue fund in its 2018 financial statements. We recommend that County continue to assess all potential component units on an annual basis.

Views of Responsible Officials: Management agrees with the finding.

Section III – Federal Award Findings and Questioned Costs

**2018-002 U.S. Department of Health and Human Services
Passed-through Colorado Department of Health Care Policy and Financing
Medical Assistance Program (Medicaid Cluster) / CFDA 93.778**

Eligibility

Significant Deficiency in Internal Control over Compliance and Other Non-Compliance

Criteria: According to the Colorado Department of Health Care Policy and Financing (HCPF), processing standards 8.100.3.D, the County is required to process a disability determination no later than 90 days following receipt of an application, and an initial application for any program not requiring a disability determination shall be processed no later than 45 days following receipt of application.

Condition: We reviewed sixty case files related to eligibility. We noted the following in our testing:

- Two instances of non-compliance in which the County did not send notice of action within 45 days. The cases were authorized in CBMS by the caseworker, but the notice was not generated by CBMS or sent within the 45-day requirement.
- One instance of non-compliance in which the County did not complete the eligibility determination and authorize the case within the 45-day requirement by the state.

Cause: Two cases failed to provide a timely notice of action to the client due to a CBMS State of Colorado noticing error. One case was not timely processed due to the County's ineffective monitoring of the 45-day requirement.

Effect: Failure to process applications timely results in participants that are delayed approval/denial for Medicaid services.

Questioned Cost: None

Context/Sampling: A non-statistical sample of 60 transactions out of approximately 3,900 total transactions were selected for testing.

Repeat Finding from Prior Year(s): Yes, prior year finding 2017-001.

Recommendation: We recommend the County utilize available COGNOS reports to determine which cases are close to exceeding the processing guidelines. We also recommend the County verify that CBMS automatically generated and sent the notice of action to the client for all cases in which they granted authorization that are not real time eligibility.

Views of Responsible Officials: Management agrees with the finding.

Section III – Federal Award Findings and Questioned Costs (continued)

**2018-003 U.S. Department of Health and Human Services
Passed-through Colorado Department of Human Services
Child Care and Development Fund (CCDF) Cluster / CFDA 93.575 & CFDA 93.596**

Eligibility

Significant Deficiency in Internal Control over Compliance and Other Non-Compliance

Criteria: The CCDF Cluster includes programs in which States design their own programs, within very broad Federal guidelines. The objective of the CCDF Cluster is to provide funds to increase the availability, affordability, and quality of child care services. Funds are used to subsidize child care for low-income families where the parents are working or attending training or educational programs, as well as for activities to promote overall child care quality for all children, regardless of subsidy receipt. There are various eligibility requirements for the Colorado Child Care Assistance Program (CCCAP) detailed in the Code of Colorado Regulations Department of Human Services Income Maintenance (Volume 3) 9 CCR 2503-9, section 3.905.1-CCCAP Low Income Child Care Eligibility. Specifically, the County shall obtain various documentation, including documentation of the client’s monthly income to determine if they are income eligible under the program.

Condition: We reviewed sixty case files related to eligibility, noting one case in which the County calculated the applicant’s monthly income based on net pay rather than gross pay. Per the State Rules and Regulations for CCCAP, the income must be based on the applicant’s gross income.

Cause: The caseworker incorrectly selected the “net pay” amounts from the pay stub instead of the “gross pay” amounts and there was not an effective control in place to detect this error.

Effect: While the final eligibility determination was correct, there was not an effective control in place to detect the incorrect income amount had been used for the eligibility determination. Ineffective controls over eligibility determinations could result in inaccurate eligibility determinations.

Questioned Cost: None reported

Context/Sampling: A non-statistical sample of 60 transactions out of approximately 31,000 total transactions were selected for eligibility testing.

Report Findings from Prior Year(s): Yes, prior year finding 2017-002.

Recommendation: We recommend the county utilize the trainings to emphasize how to calculate income. We also recommend adding a more specific description of the checklist providing “caseworker utilized gross income to calculate applicants monthly income.” To help the caseworker conduct an appropriate self-review to ensure the correct elements in the calculation were utilized.

Views of Responsible Officials: Management agrees with the finding.

Section III – Federal Award Findings and Questioned Costs (continued)

2018-004

**U.S. Department of Health and Human Services
Passed-through Colorado Department of Health Care Policy and Financing
Medical Assistance Program (Medicaid Cluster) / CFDA 93.778**

**Passed-through Colorado Department of Health and Human Service
Social Services Block Grant / CFDA 93.667, Child Support Enforcement / CFDA 93.563**

**Procurement, Suspension & Debarment
Significant Deficiency in Internal Control over Compliance and Other Non-Compliance**

Criteria: Federal regulations 2 C.F.R. 180.220 state that a contract for goods or services is a covered transaction if awarded in a nonprocurement transaction and if the amount of the contract is expected to equal or exceed \$25,000. Also, federal regulation 2. C.F.R. 180.300 requires that when a non-federal entity enters into a covered transaction with another entity, the non-federal entity must verify that the person or entity they intend to do business with is not excluded or disqualified from receiving federal funds. This can be done by: (1) checking the System of Award Management (SAM) exclusions, (2) collecting a certification from that entity, or (3) adding a clause or condition to the covered transaction with that person.

Condition: We tested internal controls over procurement, suspension and debarment for the Medicaid, SSBG and CSE programs and noted that there was no documentation to support three transactions (one for each grant for the same vendor contracted) related to the SAM's check being performed to determine if the vendor was debarred or suspended. Although there was no documentation to support the internal control was in place, we noted that the vendor was not suspended or debarred.

Cause: The County did not perform verification prior to entering into a procurement transaction. Internal controls were not sufficient to ensure the required verification was performed.

Effect: Failure to perform the SAM's check was performed may result in entering into a contract with a suspended or debarred entity.

Questioned Costs: None reported.

Context/Sampling: A non-statistical sample of 140 expenditures subject to procurement out of approximately 1,350 total transactions were selected for procurement, suspension & debarment testing.

Repeat Finding from Prior Year(s): No

Recommendation: We recommend that the County review the approval and documentation process for the suspension and debarment requirement (SAM's) to determine why the controls failed and make corrections to the design and implementation of controls that will prevent and detect and correct this from occurring in the future.

Views of Responsible Officials: Management agrees with the finding.

Finding 2018-001 **Change in Reporting Entity-addition of a previously excluded component unit**
Significant Deficiency

During 2018, the County performed an assessment of potential component units. Based on the assessment, management re-evaluated prior year assessments and determined that the Douglas County Deputy Sheriff's Association (DCDSA) should be included within the reporting entity as a blended component unit.

Responsible Individual(s): Andrew Copland, Finance Director

Corrective Action Plan: The Douglas County Deputy Sheriff's Association has been appropriately included in the 2018 Comprehensive Annual Financial Report as a non-major special revenue fund. We will continue to monitor and re-assess all possible component units/related parties on an on-going basis.

Anticipated Completion Date: Ongoing.

Finding 2018-002**Significant Deficiency in Internal Control over Compliance**

Of the 60 cases reviewed, two were not timely noticed and one case was not timely processed.

Responsible Individual(s): Erin Johnson, Program Manager

Corrective Action Plan: Colorado Counties use the State's eligibility system (CBMS) and have no ability to impact programming, automated interfaces or system failures. One instance of untimely notification was due to a CBMS issue that could not have been addressed or avoided by human intervention. Since CBMS's inception in 2004, Counties have relied on the system performing its basic functions, one of which is timely and accurate processing.

Throughout 2018 and for many years before, the Department has used available State reports and developed its own internal processes to identify pending work and ensure timely processing.

In 2018, Douglas County's processing was 99% timely for redetermination applications, and 99% timely for new applications. The Colorado Department of Health Care Policy and Financing (HCPF) awards incentives for high performance based on the SFY. For SFY1718, the Department received the maximum incentives possible due to meeting or exceeding performance. For SFY1819, the Department has met all the incentive criteria for July through December 2018, and expects to be awarded all the possible incentives available for SFY1819 (\$70,763.58).

To resolve untimely processing errors, in 2019 the Department will:

1. Submit a State OIT help desk ticket in instances where CBMS caused issues that impact timely or accurate process,
2. Continue to use existing COGNOS reports to support timely processing,
3. Continue to utilize other State provided reports to ensure timely processing,
4. Continue to identify areas of efficiency in our business process, and consider possible technological improvements with County IT, and
5. Complete all required case reviews as defined in rule and our policy.

Anticipated Completion Date: Ongoing.

Finding 2018-003**Significant Deficiency in Internal Control over Compliance**

In 2018, there was a single case for which household income was determined incorrectly.

Responsible Individual(s): Melissa Ingalls, Program Manager

Corrective Action Plan: Throughout 2018, the Colorado Department of Human Services (CDHS) began to implement numerous significant computer system, policy and funding changes. Douglas County staff continued to enhance their skill set and complete all available trainings which continued to stabilize the program from its many years of being outsourced previously.

For 2019, the Department will:

1. Continue to timely complete monthly case reviews,
2. Actively participate in State meeting and workgroups to remain current on issues and upcoming changes, and
3. Remain current on all training and system changes.

Anticipated Completion Date: Ongoing for items one through three above.

Finding 2018-004**Procurement, Suspension & Debarment
Significant Deficiency in Internal Control over Compliance and Other Non-Compliance**

Internal controls over procurement were tested and in one instance it was noted that there was no documentation to support that a SAM's check was performed to determine if the vendor was suspended or debarred.

Responsible Individual(s): Andrew Copland, Finance Director

Corrective Action Plan: The Douglas County Finance Department has begun performing suspension and debarment checks on all purchase order requests and contracts whether, or not the expenditures are expected to ever be reimbursed with federal funds. This will prevent the County from entering into a contract with a suspended or debarred entity. Additionally, the County will research adding a clause to our contracts specifically requiring the person or entity to state they are not excluded or debarred from receiving federal funds.

Anticipated Completion Date: Ongoing.