Colorado Independent Consultants Network, LLC

Colorado Department of Health Care Policy and Financing
Single Entry Point Program

Prowers County Board of County Commissioners (Prowers)
Single Entry Point Close Out Review
Program Termination Date: 10/31/23

Prepared by:

Colorado Independent Consultants Network, LLC
Denver, Colorado
May 2024

Executive Summary

When a Single Entry Point (SEP) ceases operations, as may be the case when the agency's contract has ended, it is prudent to perform a close out audit. In collaboration with the Colorado Department of Health Care Policy and Financing (HCPF), Colorado Independent Consultant's Network, LLC (CICN) designed procedures to evaluate the appropriateness of Prowers County Board of County Commissioners (Prowers) final activities and financial records as well as the disposition of program assets. The specific procedures performed, as well as the results of these procedures are contained in the body of this report, which is divided into the following three sections:

> Objective, Procedures, and Scope- Defines the procedures performed.
>
> Background- Provides background information on the nature of our audit work as well as specific operational and financial highlights for the Prowers SEP program.
>
> Close out audit results- Provides the results of our close out audit. Procedures performed by CICN, previously summarized as part of the first section, are repeated in italics, followed by the results of these procedures.

While a number of procedures were performed as part of the close out audit, one of the main review areas with a closing SEP program is the amount of funds due back to the State of Colorado.

Program funding owed back to HCPF
As a result of the program audit, CICN determined that Prowers owes HCPF a total of $502,034.40. This is comprised of the following:

- $80,096.28 due to an unexplained variance between the program's official Profit and Loss (P&L) report and the detailed list of expenditures (See results section #1)
- $3,031.42 in unsupported or incorrectly allocated expenditures (See results section #2)
- $86,626.39 attributable to Community Centered Board (CCB) expenditures charged to the SEP program. (See results section #3)
- $320,580.61 in unspent funding in current performance period (See results section #5)
- $33,250.00 in bonuses charged to the SEP program covered by another grant (See results section #9)

The above amounts are reduced by Prowers' miscalculation of indirect expenses, resulting in an under-charge to the SEP program in the amount of $21,550.30 (See results section #8).

Management Response
We agree to reimburse the Colorado Department of Health Care Policy and Financing a total of $502,034.40 as detailed above. Funds will be remitted no later than June 30, 2024.

Other issues noted during our close out review

- Prowers' Schedule of Expenditures of Federal Awards (SEFA) was overstated by $24,516.30. (See results section #4)

- Due to the inability of the County's new financial system to generate meaningful and reliable reports, we were unable to conduct a full analysis of all transactions charged to the SEP program. (See results section #7)

<u>END OF EXECUTIVE SUMMARY</u>

Objective, Procedures, and Scope

CICN has been engaged to perform financial closeout reviews of SEP programs.

The objectives of our review were as follows:

- Determine whether the SEP program was in compliance with generally accepted practices for accumulating and reporting program revenues and expenditures for the State Fiscal Year ended June 30, 2023 and partial program year ended October 31, 2023.
- Ensure proper allocation of expenditures between the SEP and Home Care Allowance (HCA) programs. The HCA program is a state-funded program, closely intertwined with SEP program activities which is administered by the Colorado Department of Human Services (CDHS). Due to the similar nature of both programs, common expenditures are typically allocated in proportion to relative client counts of each program.
- Ensure the accuracy of the SEP program's SEFA[1] reporting.
- Determine the amount of any unspent funds which should be returned to HCPF.
- Quantify the value of any SEP assets retained by the program, including depreciable capital improvements.
- Review historical financial data for items which could impact the funding due back to HCPF.

We performed our procedures in accordance with American Institute of Certified Public Accountants (AICPA) standards on consulting services, guided by applicable U.S. Office of Management and Budget (OMB) circulars, Governmental Accounting Standards Board (GASB) standards, and guidance from HCPF and the State of Colorado. While we may make use of the terms "Audit" or "Review" in our report, the procedures we performed were neither an audit nor a review as defined by the AICPA.

To accomplish our objective, we gained an understanding of the SEP agency's nature of operations, financial reporting processes, and allocation methods. This understanding was facilitated through interviews with key personnel, reviews of supporting documentation, analysis of allocation methodologies, and testing of expenditure and payroll transactions.

[1] Schedule of Expenditures of Federal Awards

We performed the following procedures[2] in connection with our close out review:

#	Procedure
1	Judgmentally select 10 expenditures for testing. For each expenditure testing selection, ensure the expense is: a. Properly supported with adequate documentation b. Approved in accordance with agency policy c. Related to the SEP program as a necessary and reasonable expense d. Appropriately allocated if split among multiple programs Note/investigate any other abnormalities with selected expenditure.
2	Select a sample of 3 employees over 3 separate months for payroll testing. For each payroll testing selection, ensure the payroll amounts were: a. Appropriately calculated based on the percent of time reported b. Reasonable, based on the job duties of the employee c. Approved as required by the agency's internal controls
3	If the agency also handles Home Care Allowance (HCA) cases, inquire as to whether the funding and expenditures are commingled with the SEP program. Determine if a journal entry has been made to proportionately back out HCA expenditures based on a reasonable cost allocation methodology (typically client counts). Obtain support for inputs to journal entry and recalculate.
4	Compare fiscal year (December 2022 or June 2023) SEP expenditures per program to those reported on the SEP program's Schedule of Expenditures of Federal Awards (SEFA). Note any variances and inquire as to reason.
5	Obtain the SEP programs funding and expenditures for the past 5 program years (7/1/20 through final close out of program books per the SEP program's accounting software). Obtain historical payments from HCPF to the SEP. Reconcile amounts to arrive at a due to/due from balance. Compare this balance to the SEP programs accounting of remaining funds owed to HCPF.
6	Obtain a current detailed listing of all SEP assets, including fixed assets, property improvements, inventory items, computing assets, and any other property purchased in whole or in part with SEP funds. Also obtain a fixed asset register from the agency's accounting system, if available, for the SEP program. Review listing for assets that could have a Fair Market Value (FMV) of $5K or greater on an individual basis. Assess FMV of these high-dollar assets (generally FMV for most items; depreciated value for items without a readily determinable FMV).

[2] Additional procedures were performed to facilitate those listed in this table, which summarizes key procedures.

#	**Procedure**
7	Perform high level data analytics on General Ledger (G/L) from 7/1/20 through final closure of books: Are there any unusual expenditures or adjusting journal entries? Are there any unusual spending changes between the date the SEP program knew of non-renewal of contract and the contract end date of 10/31/23? (i.e. Did the SEP program run up expenditures once they knew the contract was terminating?) Inquire of unusual transactions and document/investigate as appropriate.
8	Perform high level analytics on administrative spend/allocation to SEP for reasonability.
9	Assess reasonability of end of contract payroll, including bonuses, payout of accrued leave time (may have been charged to SEP previously on an accrual basis), and any other non-standardized payroll charges.
10	Review and summarize issues noted through 5 prior (Back to '20/'21) financial compliance review reports. Determine what impact, if any, such issues may have on funds due back to the State.

We were not engaged to provide an opinion as to the accuracy of the fund financial statements or adequacy of internal controls and are not expressing such an opinion. This report is designed to aid HCPF and SEP agency program management in understanding and improving internal control weaknesses and should not be used or relied upon by any other party or for any other purpose.

Background

The following table summarizes the SEP agency's revenue, expenditures, and excess (deficit) balance per HCPF records from July 1, 2022 through October 31, 2023[3]. The excess (deficit) balance is the difference between funds received from HCPF and funds expended by the SEP program during the fiscal year ended June 30, 2021 and does not include carry-forward amounts from prior years. Client counts and SEP agency employees as of June 30, 2023 are also presented.

Total Payments Received	$ 828,466.44
Total Expenditures	$ 726,002.93
Excess (Deficit)	$ 102,463.51
Client Count	378
Employees who work on SEP	8 FTE

[3] The SEP program officially terminated on 10/31/23. The "Total Expenditures" figure includes expenditures subsequent to 10/31/23 to the extent they pertained to closure of the SEP program.

Close out audit results

1. *Judgmentally select 10 expenditures for testing. For each expenditure testing selection, ensure the expense is:*
   a. Properly supported with adequate documentation
   b. Approved in accordance with agency policy
   c. Related to the SEP program as a necessary and reasonable expense
   d. Appropriately allocated if split among multiple programs

Note/investigate any other abnormalities with selected expenditure.

As part of any financial compliance review or close out audit, CICN requests both the official financial statements of the program as well as a detailed expenditure listing. The former, known as a Profit and Loss (P&L) statement, is the official financial record of the program. The latter provides the level of detail required to analyze and perform detailed testing on expenditures of the program. Total expenditures should be equal in both reports- when they do, this validates that the detailed transactions we are analyzing and testing represent all transactions of the program. Total expenses per these two reports for Prowers are out of balance by $80,096.28 as detailed below:

Expenditures per accounting software	$726,002.93
Detailed list of expenditures	$63,236.07
Variance	$662,766.86
Payroll for SFY 2023/24 (7/1/22 - close out)	$582,670.58
Remaining Unidentified Variance	$80,096.28

Prowers transitioned accounting software packages since our last financial compliance review and has been experiencing significant problems with the new software, including the inability to produce basic financial reports. Prowers attributes the above variance to these difficulties.

When the official expenditures of the program are higher than the detailed list of expenditures, as is the case with Prowers, CICN does not have the opportunity to select these “incremental expenditures” for testing.

While we have no reason to believe this to be the case, there is an audit risk that disallowed expenditures could be purposefully excluded from the detailed list provided for the audit, knowing that such expenditures could not be tested.

Prowers needs to provide a detailed expenditure listing which can be used to select individual expenses hitting their general ledger that can be selected for audit. This detailed expenditure listing needs to be tied to the aforementioned P&L report. Any variances between these two reports should be to the level of immateriality by which such variance would not be concerning if it were to represent disallowed expenditures.

Financial impact:

Given the magnitude of the variance involved, CICN would consider the remaining unidentified variance of $80,096.28 to be a disallowed expense and has added this to the amount due back to HCPF. As such, Prowers must provide HCPF with supporting documentation indicating the funds were used on the SEP Program or repay this amount.

Management response:

We recognize the importance of addressing the issues highlighted in the recent financial compliance review as an organization. We acknowledge the challenges we have encountered since transitioning to a new accounting software package, especially in generating basic financial reports. We are actively working to resolve these issues to ensure the accuracy and reliability of our financial data, which includes transitioning to a more accurate & reliable accounting software.

In response to the concerns raised about discrepancies in our financial data, we are committed to providing a detailed expenditure listing that corresponds with our profit and loss report. Our goal is to minimize any differences between these reports and eliminate any doubts about the inclusion of disallowed expenses.

We take the audit risk seriously and are dedicated to transparency and accuracy in our financial reporting. We will address the identified issues and strive to provide comprehensive and accurate information for the audit process.

Auditor & finance department have reviewed data and made sure financials are accurate and correct. Moving forward, program issues have been identified and are being monitored and corrected when errors accrue in the system. Transition into new software will being in October 2024. Data transfer will be closely monitored by Tyler Technologies and finance department to ensure proper balancing of all historical data and proper posting in the new system.

Responsible party:

Reyna Perez, PCPH Accountant

Completion date:

11/30/24

CICN considers four of the ten expenditures selected for testing to be exceptions. These include two clerical errors, one outdated allocation, and one instance of failure to use the County's tax-exempt status.
Full details of these exceptions are as follows:

1. A worksheet used to calculate allocations of vehicle insurance expense indicated a charge of $1,397.00, while $1,048.00 was booked to the SEP program resulting in an undercharge to the program of $349.00.

2. The SEP program was charged the public health's portion of a vehicle maintenance cost in the amount of $897.78 rather than the SEP Program's portion of $36.08 resulting in an overcharge to the program of $861.70.

3. Prowers County performs an annual analysis to determine the correct allocation for IT expenses. While this analysis was performed, an outdated version was used for the allocation, resulting in an overcharge to the SEP program of $2,501.14 for IT support.

4. One of the expenditures selected for testing included $17.58 in taxes, which the County should not be paying as a tax exempt entity. This was the result of one of the SEP Case Managers using their personal Amazon account to make purchases for the SEP program, which we understand was a regular occurrence.

We recommend the allocation methodologies not only be updated annually as Prowers has done, but that these updated methodologies be used when charging programs. Amazon purchases should be made with a tax exempt business account rather than the personal account of an employee.

<u>Financial impact:</u>

The net impact of all noted exceptions is an overcharge to the SEP program in the amount of $3,031.42. This amount has been added to the amount due back to HCPF.

<u>Management response:</u>

To avoid similar errors in the future, we need to update and improve our allocation methodologies based on the exceptions. We will ensure that allocation methodologies are updated annually and consistently used when charging programs. Furthermore, we will implement measures to ensure that Amazon purchases for the CMA program are made using a tax-exempt business account instead of a personal account. The program acknowledges that all orders should be handled by the agency's accountant. These steps will help us prevent overcharges and discrepancies, ultimately improving our financial management processes.

Auditor & finance department have reviewed data and made sure financials are accurate and correct. Moving forward, program issues have been identified and are being monitored and corrected when errors accrue in the system. Transition into new software will being in October 2024. Data transfer will be closely monitored by Tyler Technologies and finance department to ensure proper balancing of all historical data and proper posting in the new system.

Responsible party:

Reyna Perez, PCPH Accountant

Completion date:

11/30/24

2. Select a sample of 3 employees over 3 separate months for payroll testing. For each payroll testing selection, ensure the payroll amounts were:

a. Appropriately calculated based on the percent of time reported
b. Reasonable, based on the job duties of the employee
c. Approved as required by the agency's internal controls

All payroll transactions reviewed by CICN were appropriately calculated based on the percentage of time reported, reasonable, based on the job duties of the employee, and approved as required by the agency's internal controls. No exceptions were noted during our testing.

3. If the agency also handles Home Care Allowance (HCA) cases, inquire as to whether the funding and expenditures are commingled with the SEP program. Determine if a journal entry has been made to proportionately back out HCA expenditures based on a reasonable cost allocation methodology (typically client counts). Obtain support for inputs to journal entry and recalculate.

Although Prowers has not had HCA clients in many years, they performed CCB work as a subcontractor to Southeastern Developmental Services (SDS) from April through October 2023. All costs associated with performing CCB services were charged to the SEP program. The Prowers County SEP program was compensated for their CCB services by SDS in accordance with SDS' contract with the State to perform these services. As no records were kept on actual costs associated with performing these services, CICN used the revenues associated with this CCB work to offset SEP expenditures, with the assumption that the CCB revenues were reflective of the level of effort required to perform this work.

The following table presents the CCB revenues received:

CCB Revenues	
Apr-23	$ 13,248.38
May-23	$ 14,842.69
Jun-23	$ 11,862.27
Jul-23	$ 11,335.47
Aug-23	$ 12,166.36
Sep-23	$ 11,716.27
Oct-23	$ 11,454.95
	$ 86,626.39

Financial impact:

The SEP program was overcharged $86,626.39 as a result of charging CCB related expenses (predominantly payroll) to the SEP program.

Management response:

After reviewing the situation, we have identified an overcharge of $86,626.39 to the SEP program. This overcharge resulted from incorrectly charging CCB-related expenses (payroll) to the program. In the future, we will implement a more rigorous cost/time-tracking system to ensure accurate allocation of charges and to prevent such discrepancies. We are committed to taking the necessary steps to rectify this issue.

Auditor & finance department have reviewed data and made sure financials are accurate and correct. Moving forward, program issues have been identified and are being monitored and corrected when errors accrue in the system. Transition into new software will being in October 2024. Data transfer will be closely monitored by Tyler Technologies and finance department to ensure proper balancing of all historical data and proper posting in the new system.

Responsible party:

Reyna Perez, PCPH Accountant

Completion date:

11/30/24

4. Compare fiscal year (December 2022 or June 2023) SEP expenditures per the SEP program to those reported on the SEP's Schedule of Expenditures of Federal Awards (SEFA). Note any variances and inquire as to reason.

For the calendar year ended 12/31/22, Prowers expended $218,011.70 in Federal expenditures, yet reported Federal expenditures of $242,528.00 on their SEFA. This resulted in an overstatement of their SEFA in the amount of $24,516.30.

We recommend Prowers ensure the accuracy of their SEFA reporting, including informing the financial statement auditors of the unique nature of the SEP (to become CMA) program funding.

Financial impact:

This is a SEFA reporting error and has no financial impact to the program.

Management response:

We appreciate the recommendation and will promptly act to ensure the accuracy of our SEFA reporting. We will also notify our financial statement auditors about the unique nature of the situation to address any discrepancies.

Auditor & finance department have reviewed data and made sure financials are accurate and correct. Moving forward, program issues have been identified and are being monitored and corrected when errors accrue in the system. Transition into new software will being in October 2024. Data transfer will be closely monitored by Tyler Technologies and finance department to ensure proper balancing of all historical data and proper posting in the new system.

Responsible party:

Reyna Perez, PCPH Accountant

Completion date:

11/30/24

5. Obtain SEP program's funding and expenditures for the past four program years (7/1/20 through final close out of program books per the agency's accounting software). Obtain historical payments from HCPF to the SEP. Reconcile amounts to arrive at a due to/due from balance. Compare this balance to the SEP agency's accounting of remaining funds owed to HCPF.

CICN reviewed the payments made by HCPF and Prowers's SEP expenditures during the current performance period. Based on this review, Prowers has under-expended HCPF funding by $320,580.61.

Prowers has not maintained a deferred revenue account as required to track the amount owed back to HCPF as a result of excess funding. As such, we will use our calculated balance owed of $320,580.61.

We recommend Prowers establish a deferred revenue account to record a liability for excess payments to HCPF. Typically, this account will be credited upon receipt of program funds and debited upon expenditure of such funds.

Financial impact:

Prowers will be required to repay excess funding in the amount of $320,580.61.

Management response:

Prowers County maintains a deferred revenue account. Nonetheless, the accurate tracking of this account has been hampered by insufficient information stemming from the transition to the current accounting software system. Our recognition of the paramount importance of upholding requisite accounting practices underscores our steadfast commitment to ensuring that proper procedures are rigorously observed in order to redress the under-expended funding.

Auditor & finance department have reviewed data and made sure financials are accurate and correct. Moving forward, program issues have been identified and are being monitored and corrected when errors accrue in the system. Transition into new software will being in October 2024. Data transfer will be closely monitored by Tyler Technologies and finance department to ensure proper balancing of all historical data and proper posting in the new system.

Responsible party:

Reyna Perez, PCPH Accountant

Completion date:

11/30/24

6. Obtain a current detailed listing of all SEP assets, including fixed assets, property improvements, inventory items, computing assets, and any other property purchased in whole or in part with SEP funds. Also obtain a fixed asset register from the SEP program's accounting system, if available, for the SEP program. Review listing for assets that could have a FMV of $5K or greater on an individual basis. Assess FMV of these high-dollar assets (generally FMV for most items; depreciated value for items without a readily determinable FMV).

No issues noted.

CICN obtained and reviewed the "CMA Transition Asset Inventory Sheet" submitted to HCPF by Prowers as well as the fixed asset register. Between these two documents we noted the following assets with a fair market or book value[4] of $5K[5] or above:

Asset	VIN (Ending)	Mileage	Estimated FMV per CICN
2012 Ford Fusion	356049	29,839	$6,321
2014 Ford Escape	B16981	54,158	$8,381
2017 Chevy Traverse	177493	21,453	$14,740
2019 Ford Explorer	A51692	17,242	$23,467
TOTAL			**$52,909**

Due to the SEP's transition to the CMA program, all assets have been transferred to the CMA program where they are currently in use.

[4] Fair market value is used for personal property that can be sold to a third-party such as vehicles and equipment. Book value is used for improvements to real property that cannot easily be sold to a third-party, such as renovations to a building owned by the SEP agency or parent organization.

[5] While this is our normal threshold for asset reporting, we included all SEP vehicles regardless of estimated cost for completeness purposes.

7. *Perform high level data analytics on General Ledger (G/L) from 7/1/20 through final closure of books: Are there any unusual expenditures or adjusting journal entries? Are there any unusual spending changes between the date SEP program knew of non-renewal of contract and the contract end date of 10/31/23? (i.e. Did the SEP run up expenditures once they knew the contract was terminating?) Inquire of unusual transactions and document/investigate as appropriate.*

Due to the inability of the County's new financial system to generate meaningful and reliable reports, we were unable to conduct a full analysis of all transactions charged to the SEP program.

We obtained an accounts payable listing for the performance period, reviewed the listing for potentially unallowable expenses, and did not note any transactions that would be considered unallowable.

We were unable to compare year-to-year data due to the incompleteness of the data and the fact that the detail did not tie to the official P&L statements. Most notably, our detailed report did not contain payroll transactions, which typically make up 80-95% of an SEP program's total expenditures.

We recommend Prowers address their financial reporting issues so that reliable data can be produced from these reports as it is critical for maintaining appropriate oversight of CMA funding.

As the SEP agency is continuing on as a CMA, the concern of running up expenditures towards the end of the contract period is not an issue as all purchases (including equipment) will benefit the new CMA agency.

Financial impact:

We are unable to determine the financial impact, if any, associated with the Prowers's inability to produce reliable and usable financial statements.

Management response:

We acknowledge the challenges brought to our attention concerning the County's financial system and the constraints it imposes on producing reliable reports for the SEP program. We must rectify the financial reporting issues to ensure accurate oversight of CMA funding. We are actively working to resolve these issues to ensure the accuracy and reliability of our financial data, which includes transitioning to a more efficient accounting software.

Auditor & finance department have reviewed data and made sure financials are accurate and correct. Moving forward, program issues have been identified and are being monitored and corrected when errors accrue in the system. Transition into new software will being in October 2024. Data transfer will be closely monitored by Tyler Technologies and finance department to ensure proper balancing of all historical data and proper posting in the new system.

Responsible party:

Reyna Perez, PCPH Accountant

Completion date:

11/30/24

8. *Perform high level analytics on administrative spend/allocation to SEP for reasonability.*

The SEP program is charged an indirect expense to cover Management and General (M&G) costs associated with operating the program. These indirect expenses are based on an indirect rate approved by the Colorado Department of Public Health and Environment (CDPHE). While the approval is specifically applicable to "Contracts with CDPHE", CICN notes administration for CDPHE contracts within Prowers County Public Health is identical to administration for the SEP contract. As such, we believe the indirect rate approved by CDPHE is reflective of indirect costs incurred for the SEP program and can be used for SEP program activities.

CICN recalculated the indirect rate for each full year within the agency's performance period by taking total expenditures, less indirect and rent[6], and applying the applicable approved indirect cost rate. We did not recalculate calendar year 2020 as half this year predates our performance period and indirect rates are based on the entity's fiscal year (12/31 for Prowers County).

The following table presents our recalculation of indirect costs:

Calendar Year	Total expenses	Indirect	Rent	Total Expenses, less indirect & rent	Indirect Rate	Recalculated indirect	Indirect over (under) charge
2021	$490,358.85	$ 63,426.93	$18,043.50	$ 408,888.42	15.32%	$ 62,641.71	$ 785.22
2022	$485,056.11	$ 49,032.71	$21,623.23	$ 414,400.17	11.34%	$ 46,976.40	$ 2,056.31
2023	$447,548.08	$ 24,480.01	$16,818.35	$ 406,249.72	12.03%	$ 48,871.84	$(24,391.83)
TOTAL		**$ 136,939.65**				**$ 158,489.95**	**$(21,550.30)**

Financial impact:

Based on our calculations, the SEP program was under-charged with a net of $21,550.30. This amount has been subtracted from the amount due to HCPF.

Management response:

In the future, we will introduce monthly metrics to precisely capture the indirect expenses associated with the CMA program.

Auditor & finance department have reviewed data and made sure financials are accurate and correct. Moving forward, program issues have been identified and are being monitored and corrected when errors accrue in the system. Transition into new software will being in October 2024. Data transfer will be closely monitored by Tyler Technologies and finance department to ensure proper balancing of all historical data and proper posting in the new system.

[6] Rental costs are specifically excluded from Modified Total Direct Costs, the basis by which the indirect cost rate is applied against.

Responsible party:

Reyna Perez, PCPH Accountant

Completion date:

11/30/24

9. *Assess reasonability of end of contract payroll, including bonuses, payout of accrued leave time (may have been charged to SEP previously on an accrual basis), and any other non-standardized payroll charges.*

Seven SEP program-related employees received ongoing retention bonuses totaling $33,250.00 starting in November 2022 (FY'23) as follows:

- $1,000.00 per employee was paid out in October 2023 ($7,000.00 total)
- $750.00 per employee was paid out in June 2023 ($5,250.00 total)
- $500.00 per employee was paid out in April 2023 ($3,500.00 total)
- $3,000.00 per employee[7] was paid out in November 2022 ($17,500.00 total)

Each bonus was commensurate with time accrued working on the program and all bonuses were fully offset by separate ARPA[8] grant funding.

Financial impact:

CICN originally included all SEP expenditures in the true-up calculation but only included funding from HCPF. Since all of these bonuses were paid for through the ARPA grant, CICN will subtract from SEP expenditures the $33,250.00 in ARPA grant funding for purposes of determining funds due back to HCPF.

Management response:

Our agency has adhered to ARPA grant funding protocols, thoroughly reviewed the financial implications of bonuses, and made necessary budget adjustments to account for any bonus disbursements.

Auditor & finance department have reviewed data and made sure financials are accurate and correct. Moving forward, program issues have been identified and are being monitored and corrected when errors accrue in the system. Transition into new software will being in October 2024. Data transfer will be closely monitored by Tyler Technologies and finance department to ensure proper balancing of all historical data and proper posting in the new system.

Responsible party:

Reyna Perez, PCPH Accountant

Completion date:

11/30/24

[7] Two of the seven employees received pro-rated bonuses of $1,000 and $1,500 due to their short tenure with the SEP program at the time of this bonus.

[8] American Rescue Plan Act of 2021

10. Review and summarize issues noted through four prior (Back to '20/'21) financial compliance review reports. Determine what impact, if any, such issues may have on funds due back to the State.

Not applicable - CICN did not perform any Financial Compliance Reviews of Prowers within the past four years.