

DUPAGE COUNTY HEALTH DEPARTMENT

REPORT ON FEDERAL AWARDS

For the Year Ended November 30, 2014

DUPAGE COUNTY HEALTH DEPARTMENT

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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*

Independent Auditors' Report

To the Honorable President and
Members of the Board of Health
DuPage County, Illinois

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 and each major fund of DuPage County Health Department as of and for the year ended November 30, 2014, and the related notes to the financial statements, which collectively comprise DuPage County Health Department's basic financial statements, and have issued our report thereon dated May 12, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered DuPage County Health Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of DuPage County Health Department's internal control. Accordingly, we do not express an opinion on the effectiveness of DuPage County Health Department's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Honorable President and
Members of the Board of Health
DuPage County, Illinois

Compliance and Other Matters

As part of obtaining reasonable assurance about whether DuPage County Health Department'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 DuPage County Health Department'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.

Oak Brook, Illinois
May 12, 2015

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133

Independent Auditors' Report

To the Honorable President and
Members of the Board of Health
DuPage County, Illinois

Report on Compliance for Each Major Federal Program

We have audited the DuPage County Health Department's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of DuPage County Health Department's major federal programs for the year ended November 30, 2014. DuPage County Health Department'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 major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of DuPage County Health Department's major 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 *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 DuPage County Health Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on DuPage County Health Department's compliance.

Honorable President and
Members of the Board of Health
DuPage County, Illinois

Opinion on Each Major Federal Program

In our opinion, DuPage County Health Department 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 November 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, 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 2014-001, 2014-002, and 2014-003. Our opinion on each major federal program is not modified with respect to these matters.

DuPage County Health Department's Response to Findings

DuPage County Health Department's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. DuPage County Health Department's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the DuPage County Health Department is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered DuPage County Health Department's internal control over compliance with 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 OMB Circular A-133, 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 DuPage County Health Department's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-001, 2014-002, and 2014-003 that we consider to be significant deficiencies.

Honorable President and
Members of the Board of Health
DuPage County, Illinois

DuPage County Health Department's Response to Findings

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

Purpose of this Report

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities and each major fund of DuPage County Health Department as of and for the year ended November 30, 2014, and the related notes to the financial statements, which collectively comprise DuPage County Health Department's basic financial statements. We have issued our report thereon dated May 12, 2015 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 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 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.

Oak Brook, Illinois
May 12, 2015

DUPAGE COUNTY HEALTH DEPARTMENT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantors' Number	Program or Award Amount	Federal Expenditures
U.S. Department of Agriculture				
Passed through Illinois Department of Human Services Special Supplemental Food Program for Women, Infants and Children				
WIC - 2014	10.557*	FCSSQ00850	\$ 1,918,865	\$ 1,155,578
WIC - 2015	10.557*	FCSTQ00850	1,918,865	730,095
WIC/BFPC - 2014	10.557*	FCSSQ01147	6,700	3,301
WIC/BFPC - 2015	10.557*	FCSTQ01147	6,700	3,798
Non-cash food instruments - 2014	10.557*	NA	5,375,754	4,093,583
Non-cash food instruments - 2015	10.557*	NA	1,301,050	1,301,050
			<u>10,527,934</u>	<u>7,287,405</u>
Passed through Illinois Department of Public Health Summer Food Service Program for Children - 2014				
	10.559	55280011C	300	300
Total U.S. Department of Agriculture			<u>10,528,234</u>	<u>7,287,705</u>
U.S. Department of Health and Human Services				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance				
MYCare Integrated Services Program - 2014	93.243*	1H79SM060995-01	397,833	432,711
MYCare Integrated Services Program - 2015	93.243*	5H79SM060995-03	343,942	71,042
DCHD Crisis Center Follow-Up Program - 2014	93.243*	1U79SM061342-01	59,851	31,019
DCHD Crisis Center Follow-Up Program - 2015	93.243*	1U79SM061342-01R	59,396	21,190
			<u>861,022</u>	<u>555,962</u>
Money Follows the Person Rebalancing Demonstration Money Follows the Person - 2014				
	93.791	2013-23-005	234,185	154,172
Health Care and Other Facilities Health Care and Other Facilities - 2015				
	93.887	C76HF19779	148,500	26,754
PPHF Cooperative Agreements to Support Navigators in Federally-facilitated and State Partnership Exchanges ACA-NAVIGATOR - 2014				
	93.750	1 NAVCA130102-01-00	182,543	134,563
Passed through Illinois Department of Human Services Block Grants for Community Mental Health Services				
Supported Residential - 2015	93.958	45CTB00220	389,560	50,930
Supervised Residential - 2015	93.958	45CTB00221	250,935	29,356
Crisis Residential - 2014	93.958	45CSB00222	277,635	129,563
Crisis Residential - 2015	93.958	45CTB00222	277,635	48,586
			<u>1,195,765</u>	<u>258,435</u>
Total Passed through Illinois Department of Human Services			<u>1,195,765</u>	<u>258,435</u>
Passed through Illinois Department of Public Health Hospital Preparedness and Public Health Emergency Preparedness Aligned Cooperative Agreements				
Bio-Terrorism - 2014	93.074	47180022B	471,752	286,396
Cities Readiness - 2014	93.074	47180101B	86,057	48,650
			<u>557,809</u>	<u>335,046</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs				
Direct Observed Therapy TB - 2013	93.116	35180060A	36,520	16,443
Direct Observed Therapy TB - 2014	93.116	45180034B	35,556	35,556
			<u>72,076</u>	<u>51,999</u>
State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges ACA-In Person Counselor - 2014				
	93.525*	40180029B	1,000,000	1,000,000

DUPAGE COUNTY HEALTH DEPARTMENT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended November 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantors' Number	Program or Award Amount	Federal Expenditures
U.S. Department of Health and Human Services (Cont.)				
Passed through Illinois Department of Public Health (cont.)				
Immunization Cooperative Agreements				
VFC-AFIX - 2013	93.268	35180035A	\$ 45,000	\$ 5,510
VFC-AFIX - 2014	93.268	45180026B	65,000	25,944
EPI Perinatal - Hepatitis B - 2013	93.268	35180052A	35,000	3,676
EPI Perinatal - Hepatitis B - 2014	93.268	45180013B	35,000	15,491
Non-cash vaccines received - 2014	93.268	N/A	332,433	332,433
			<u>512,433</u>	<u>383,054</u>
Centers for Disease Control and Prevention				
Investigations and Technical Assistance				
Breast and Cervical Cancer Screening - 2014	93.283	46180007B	626,304	56,153
Wisewoman - 2014	93.283	46180037B	84,840	47,100
			<u>711,144</u>	<u>103,253</u>
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations				
Breast and Cervical Cancer Screening - 2015	93.752	56180007C	603,855	74,450
Maternal/Child Health Services Block Grant to the States				
Dental Sealants - 2014	93.994	43480112B	30,500	19,680
			<u>3,487,817</u>	<u>1,967,482</u>
Total Passed through Illinois Department of Public Health				
Passed through Illinois Public Health Association				
Human Immunodeficiency Virus(HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance				
HIV Testing and Prevention Services - 2014	93.944	14-142-01	73,500	59,525
Passed through the Illinois Department of Healthcare and Family Services				
Medical Assistance Program				
Medical Assistance Program/Dental - 2012	93.778*	2012	62,653	62,653
Medical Assistance Program/FCM - 2014	93.778*	2014	1,379,489	1,058,892
Medical Assistance Program/FCM - 2015	93.778*	2015	353,051	353,051
			<u>1,795,193</u>	<u>1,474,596</u>
Total Passed through Illinois Department of Healthcare and Family Services				
Passed through the National Association of County and City Health Officials				
Building Capacity of the Public Health System to Improve Population Health through National, Non-Profit Organizations - financed in part by Prevention and Public Health Funds (PPHF)				
Health Associated Infections MDRO project - 2014	93.524	2014-010802	10,000	10,000
Medical Reserve Corps Small Grant Program				
Medical Reserve Corps Small Grant Program - 2007	93.008	MRC 07 0058	10,000	2,100
Medical Reserve Corps Small Grant Program - 2008	93.008	MRC 08 0085	5,000	300
Medical Reserve Corps Small Grant Program - 2009	93.008	MRC 09 0085	5,000	168
Medical Reserve Corps Small Grant Program - 2010	93.008	MRC 10 0085	5,000	3,200
Medical Reserve Corps Small Grant Program - 2011	93.008	MRC 11 0085	5,000	1,992
Medical Reserve Corps Small Grant Program - 2014	93.008	MRC 14 0085	3,500	1,550
			<u>33,500</u>	<u>9,310</u>
Total Passed through the National Association of County and City Health Officials				
			43,500	19,310
			<u>8,022,025</u>	<u>4,650,799</u>
Total U.S. Department of Health and Human Services				

DUPAGE COUNTY HEALTH DEPARTMENT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended November 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantors' Number	Program or Award Amount	Federal Expenditures
U.S. Department of Education				
Passed through Illinois Department of Human Services				
Rehabilitation Services - Vocational Rehabilitation Grants to States				
Supported Employment - 6C - 2014	84.126	46CSD00270	\$ 189,616	\$ 31,150
Supported Employment - 6C - 2015	84.126	46CTD00270	<u>189,616</u>	<u>10,836</u>
 Total U.S. Department of Education			<u>379,232</u>	<u>41,986</u>
U.S. Environmental Protection Agency				
Passed through Illinois Department of Public Health				
Performance Partnership Grants				
Non-Community Public Water - 2013	66.605	35382023A	13,400	2,862
Non-Community Public Water - 2014	66.605	45382023B	<u>13,400</u>	<u>8,813</u>
 Total U.S. Environmental Protection Agency			<u>26,800</u>	<u>11,675</u>
U.S. Department of Housing and Urban Development				
Supportive Housing Program				
Homecomings - 2014	14.235	IL0430L5T141201	50,904	26,062
Homecomings - 2015	14.235	IL0430L5T141302	51,380	13,034
SAIL - 2014	14.235	IL0311L5T141205	53,447	44,050
SAIL - 2015	14.235	IL0311L5T141306	53,691	8,683
Housing Intensive Services - 2014	14.235	IL040915T141204	256,957	91,756
Housing Intensive Services - 2015	14.235	IL0409L5T141305	260,207	73,312
MISA/CAP - 2014	14.235	IL0307L5T141205	587,015	88,102
MISA/CAP - 2015	14.235	IL0307L5T141305	<u>589,687</u>	<u>482,694</u>
 Total U.S. Department of Housing and Urban Development			<u>1,903,288</u>	<u>827,693</u>
 Total Expenditures of Federal Awards			<u>\$ 20,859,579</u>	<u>\$ 12,819,858</u>

* Denotes a major program

DUPAGE COUNTY HEALTH DEPARTMENT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

As of and for the Year Ended November 30, 2014

NOTE 1 – REPORTING ENTITY

The DuPage County Health Department (Department) is a governmental entity established under Illinois State Statutes. The Department had a single audit performed for its fiscal year ended November 30, 2014, pursuant to the Single Audit Act Amendments of 1996 and OMB Circular A-133.

The accompanying Schedule of Expenditures of Federal Awards includes only the federal grant activity of the DuPage County Health Department. It therefore excludes all other funds and departments of the County of DuPage.

NOTE 2 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "schedule") includes the federal grant activity of the Department under programs of the federal government for the year ended November 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the schedule presents only a selected portion of the operations of the Department it is not intended to and does not present the financial position, changes in net position or cash flows of the Department.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The underlying accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred.

NOTE 4 – NONCASH PAYMENTS

The DuPage County Health Department receives non-cash assistance in the form of vaccines at no charge from the Illinois Department of Public Health (IDPH) through federally assisted programs (CFDA 93.268). The value of total vaccines available during the fiscal year ended November 30, 2014 was \$462,972. Of this amount, \$75,786 remained unused on hand in inventory as of November 30, 2014. Vaccines received from IDPH during the fiscal year ended November 30, 2014 was \$332,433. This amount was included in the determination of federal awards expended for the year ended November 30, 2014.

DUPAGE COUNTY HEALTH DEPARTMENT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS As of and for the Year Ended November 30, 2014

NOTE 4 – NONCASH PAYMENTS (CONT.)

The DuPage County Health Department received non-cash assistance from the Illinois Department of Human Services under the Special Supplemental Food Program for Women, Infants, and Children (WIC) (CFDA 10.557), in the form of food vouchers which are distributed to qualifying WIC participants. Total distributions under the program amounted to \$5,394,633. Distributed food vouchers were included in the determination of federal awards expended for the year ended November 30, 2014.

NOTE 5 – OTHER

The Department provided \$429,447 of federal award money to subrecipients through the State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges (CFDA #93.525) as of November 30, 2014.

The Department had no loans or loan guarantees involving Federal awards outstanding at November 30, 2014.

DUPAGE COUNTY HEALTH DEPARTMENT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2014

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- > Material weakness(es) identified? yes X no
- > Significant deficiencies identified? yes X none reported

Noncompliance material to financial statements noted?

 yes X no

FEDERAL AWARDS

Internal control over federal award programs:

- > Material weakness(es) identified? yes X no
- > Significant deficiencies identified? X yes none reported

Type of auditor's report issued on compliance of federal award programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

 X yes no

 Federal Programs

Auditee qualified as low-risk auditee?

 X yes no

Identification of major federal programs:

CFDA Numbers

Name of Federal Program

10.557

Special Supplemental Nutrition for Women, Infants and Children

93.243

Substance Abuse and Mental Health Services

93.525

State Planning and Establishment Grants for the

93.778

Affordable Care Act (ACA)'s Exchanges

Medical Assistance Program

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

\$ 384,596

DUPAGE COUNTY HEALTH DEPARTMENT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended November 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

NO FINANCIAL STATEMENTS FINDINGS REQUIRED TO BE REPORTED

DUPAGE COUNTY HEALTH DEPARTMENT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2014

SECTION III – FEDERAL FINDINGS AND QUESTIONED COSTS

FINDING 2014-001 SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN – CFDA #10.557

Criteria: Per OMB Circular A-87, Attachment B, Section 8.h, where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation that reflects the actual amount of work activity.

Condition: During testing it was noted that payroll expenditures charged to the federal programs outlined above were not allocated using allowable criteria set by OMB Circular A-87.

Effects: Costs could be allocated to the grant that do not approximate actual activity spent on the grant.

Questioned Costs: Questioned costs, if any, were not able to be determined.

Cause: The Health Department allocates a portion of employees' time to the grant. Time studies are conducted quarterly to determine if the amount charged to the grant is appropriate. Based on the time studies, differences were detected between the actual percentage of time the employee spent on the grant and the percentage of the employees' time that was charged to the grant. Subsequently, the County did not change the employees' allocations based on the time studies.

Context: In the testing performed of 40 payroll transactions, 30 employees' actual hours charged to the grant differed from their allocated percentage. Per discussion with management, the percent of an employees' time that is allocated to the grant is not changed based on the time studies conducted. This appears to be a systemic finding for transactions of this type.

Recommendation: We recommend closely monitoring the reporting unit percentage of payroll applied to the grant and how close it is to the actual payroll charged to the grant. The Health Department should also change the amount allocated to the grant for each employee based on the time studies conducted.

Management's Response: The distribution of staff's salaries will be supported by time study or by the Department's time and attendance system or equivalent documentation that meets the OMB A-87 requirement. The site supervisor will be responsible for the accuracy of the staff's payroll applied to the appropriate grants.

DUPAGE COUNTY HEALTH DEPARTMENT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2014

SECTION III – FEDERAL FINDINGS AND QUESTIONED COSTS (CONT.)

FINDING 2014-002 AFFORDABLE CARE ACT IN PERSON COUNSELOR – CFDA #93.525

Criteria: Per the 2014 OMB Compliance Supplement, Part 3 - Compliance Requirements, Section I. Procurement and Suspension and Debarment, "When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity...is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the Excluded Parties List System (EPLS)...available at <https://www.sam.gov/portal/public/SAM...>(2) collecting a certification from the entity or (3) adding a clause or condition to the covered transaction with that entity."

Condition: The Health Department did not verify if entities were suspended or debarred before awarding contracts over \$25,000 or when awarding subgrants.

Effects: The Health Department could award a contract or subward to an entity that is suspended or debarred.

Questioned Costs: N/A

Cause: This is the first year of the Affordable Care Act grant for the Health Department. Therefore, the Health Department was unfamiliar with the rules and procedures for the subgrant process as well as awarding a vendor contract with Federal dollars.

Context: This appears to be a systemic problem at the Health Department as the Health Department was not aware that checking if entities were suspended or debarred should be part of its procedures for awarding Federal subgrants or for contracting vendors with Federal dollars. However, during the audit, we determined that subgrantees tested were not suspended or debarred.

Recommendation: The Health Department should include checking the EPLS system to determine if a vendor is suspended or debarred as part of its procedures before awarding any subgrants or contracts paid with Federal money.

Management's Response: For any Board of Health required approval for a vendor over \$15,000.00, documentation from the Service Unit requesting the procurement must include information on the Procurement Approval Checklist that the funding for the procurement is from a Federal Entity. Procurement will not process the approvals until verification that the entity is not suspended or debarred or otherwise excluded from participating in the transaction. The Director of Finance and Revenue will be responsible for implementation of this action plan.

DUPAGE COUNTY HEALTH DEPARTMENT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended November 30, 2014

SECTION III – FEDERAL FINDINGS AND QUESTIONED COSTS (CONT.)

FINDING 2014-003 AFFORDABLE CARE ACT IN PERSON COUNSELOR – CFDA #93.525

Criteria: Per the 2014 OMB Compliance Supplement, Part 3 - Compliance Requirements, Section M. Subrecipient Monitoring, "A pass through entity is responsible for...At the time of the subaward, identifying to the subrecipient the Federal award information (i.e. CFDA title and number, award name and number, if the award is research and development, and name of Federal awarding agency)."

Condition: The Health Department did not properly provide its subrecipients with the appropriate Federal award information at the time of the subaward.

Effects: The Health Department could potentially provide a subaward to an entity that is required to submit their own Schedule of Expenditures of Federal Awards. By not providing this award information to subrecipients, the entity could omit the subaward from their Schedule of Expenditures of Federal Awards.

Questioned Costs: N/A

Cause: This is the first year of the Affordable Care Act grant for the Health Department. Therefore, the Health Department was unfamiliar with the rules and procedures for the subgrant process.

Context: This appears to be a systemic problem at the Health Department as the Health Department was not aware that providing the Federal award information at the time of the subaward should be a part of its procedures.

Recommendation: The Health Department should include the Federal award information within the contract for each Federal subgrant it distributes.

Management's Response: The Service Unit preparing the documentation for an agreement/contract must include whether or not the agreement or contract needs to include Federal award information. The Director of Finance and Revenue will be responsible for implementation of this action plan.

DUPAGE COUNTY HEALTH DEPARTMENT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended November 30, 2014

FINDING 2013-1 IMMUNIZATION COOPERATIVE AGREEMENTS – CFDA #93.268, BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES – CFDA #93.958, HOSPITAL PREPAREDNESS AND PUBLIC HEALTH EMERGENCY PREPAREDNESS ALIGNED COOPERATIVE AGREEMENTS – CFDA #93.074

Per OMB Circular A-87, Attachment B, Section 8.h, where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation that reflects the actual amount of work activity. Also, per OMB Circular A-87, Attachment B, Section 8.h "Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee."

The Health Department did not employ a consistent method for meeting the noted OMB A-87, Attachment B, Section 8.h requirement. Therefore, payroll expenditures charged to the federal programs outlined above were not allocated using allowable criteria set by OMB Circular A-87.

Management's Status:

As of October 2014, the employees working in multiple federal grants were trained to record their time in Powertime (the Health Department's time entry system) by using a function called "attributes". Using attributes allows employees to direct charge time to the appropriate grants.

The only program area which is not using Powertime attributes is the Family Health program. Their grant requires the completion of regular time studies using a separate system called "Cornerstone". The time studies in Cornerstone are reviewed quarterly by management within that program.

The primary reason for the delay in rolling out Powertime attributes training was that our Behavioral Health staff assigned to residential programs are spread out at multiple county-wide locations so reaching all of them for training took longer than anticipated.

DUPAGE COUNTY HEALTH DEPARTMENT

CORRECTIVE ACTION PLAN
For the Year Ended November 30, 2014

FINDING 2014-001 SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN – CFDA #10.557, FINDING 2014-002 AFFORDABLE CARE ACT IN PERSON COUNSELOR – CFDA #93.525, AND FINDING 2014-003 AFFORDABLE CARE ACT IN PERSON COUNSELOR – CFDA #93.525

Please refer to "Management's Response" in the Schedule of Findings and Questioned Costs.