COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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Bill Ritter, Jr., Governor • Joan Henneberry, Executive Director

DAL # 09-02-CB

October 6, 2008

Dear Administrator:

SUBJECT: Financial Compliance Audit Requirements

DISTRIBUTION: The Department of Health Care Policy and Financing (the Department) is issuing this letter to all Single Entry Point (SEP) agencies to provide direction on issues raised by Clifton Gunderson, L.L.C. during the SEP Agency Financial Compliance Audit of fiscal year 2008.

NECESSARY ACTION: Where applicable, SEP Agencies shall develop and implement policies to address the following requirements:

I. Supporting Documentation – Proper and complete documentation supporting expenditures reflected on Statement of Operating Expenditures shall be maintained and made available to the Department when requested. This includes documentation to support mileage records, receipts, any allocated costs, pay rates, expense summaries, detailed payroll records and timesheets.

II. Tracking of Surplus Balances - Surplus balances shall be tracked and reported monthly to the Department on the Statement of Operating Expenditures.

III. Changes to previously-submitted Statements of Operating Expenditures shall be filed with the Department within 30 days of the change.

EFFECTIVE DATE: October 31, 2008
EXPIRATION DATE: June 30, 2009

CONTACT: If you have questions, please contact W. Sean Bryan at 303-866-5902 or william.bryan@state.co.us.

Sincerely,

W. Sean Bryan
SEP Agency Contract Manager