CHILD PROTECTIVE SERVICES

ST. JOSEPH TREATMENT CENTER

REPORT ON AGREED-UPON PROCEDURES

JANUARY 1, 1998 THROUGH DECEMBER 31, 1998

JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

ST. JOSEPH TREATMENT CENTER
REPORT ON AGREED-UPON PROCEDURES

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REPORT ON AGREED-UPON PROCEDURES

BOARD OF TRUSTEES AND ADMINISTRATIVE PERSONNEL
AS OF DECEMBER 31, 1998

NAME	TITLE	TERM
	BOARD OF TRUSTEES	
Nick Hollenkamp	President	May 1996 - May 2000
Bryce Nickel	Vice - President	May 1998 - May 2001
Della Green	Secretary	May 1997 - May 2000
Linda Berning	Treasurer	May 1997 - May 2000
Josephine Alexander	Board Member	May 1997 - May 2000
Tony Sculimbrene	Board Member	May 1999 - May 2001
Marsha Bonhart	Board Member	May 1996 - May 1999
Barbara Cogliano	Board Member	May 1997 - May 2000
Bob Collevechio	Board Member	May 1998 - May 2001
Mike Eckely	Board Member	May 1998 - May 2001
Norm Eckstein	Board Member	May 1997 - May 2000
David Fogarty	Board Member	May 1996 - May 1999
Diane Gary	Board Member	May 1996 - May 1999
Fred Pestello	Board Member	May 1998 - May 2001
Talbert Grooms	Board Member	sabbatical
Barbara Gorman	Board Member	May 1997 - May 2000
David Fogarty	Board Member	May 1998 - May 2000
Mary Mathile	Board Member	May 1996 - May 1999
Tom Moser	Board Member	May 1997 - May 2000
Bobbie Premore	Board Member	May 1996 - May 1999
Richard Wick	Board Member	May 1997 - May 2000
Victoria Wright	Board Member	May 1998 - May 2001

ST. JOSEPH TREATMENT CENTER
REPORT ON AGREED-UPON PROCEDURES

NAME	TITLE	TERM
	ADMINISTRATIVE PERSONNEL	
David Emenhiser	Executive Director	December 1992 - October 1998
Marilyn Jones	Acting Executive Director	November 1998- December 1999
Michelle Gilkison	Chief Program Officer	November 1998- Present
Michael Francis	Controller	February 1997 - March 1999
Sheila Kochis	Chief Financial Officer	April 1991 - December 1998
Mary Ann Price	Director of Human Resources	June 1996 - April 1999

<u>Agency Address:</u>

St. Joseph Treatment Center
650 St. Paul Avenue
Kettering, Ohio 45410

STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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800-282-0370
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Independent Accountants' Report

Thomas J. Hayes, Director
Ohio Department of Job and Family Services
30 East Broad Street
Columbus, Ohio 43266-0423

Dear Director Hayes:

Pursuant to the memorandum of understanding signed July 6, 1999 between the Ohio Department of Job and Family Services[1] (ODJFS or Department), formerly known as the Ohio Department of Human Services (ODHS), and the Auditor of State (AOS), we have conducted a "Child Protective Services/Special Title IV-E Review ("Review") and performed the procedures summarized below for St. Joseph Treatment Center (St. Joseph or Placement Agency) for the period January 1, 1998 through December 31, 1998 ("the Period"). These procedures were performed solely to determine if the Placement Agency complied with the provisions of certain Federal and State laws and regulations applicable to a private noncustodial agency (PNA) and Montgomery County Children Services Agency (MCCSA).

This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the users of the report. The report on agreed-upon procedures is intended for the information of ODJFS, however, the report will be a matter of public record and its distribution will not be limited. Consequently, we make no representation regarding the sufficiency of the procedures discussed below for the purpose for which this report has been requested or for any other purpose. The procedures we performed are summarized as follows:

1. We performed procedures to determine whether the Placement Agency complied with the terms and conditions of its contractual agreements and provisions of applicable laws and regulations for expenditures during the Period.

2. We scanned all receipts and deposits from the applicable public children services agencies to St. Joseph for the Period to determine whether receipts were properly deposited and recorded in the accounting records of the Placement Agency.

3. We compared the Placement Agency's per diem paid to the foster parents with the corresponding per diem it received from MCCSA to determine the ratio of payments for administration and maintenance.

4. We documented information, obtained through inquiry and observation, on the Placement Agency's internal control policies and procedures relating to: 1) cash disbursements and expenses; 2) revenues; 3) personnel and payroll; 4) accounts receivable; 5) inventories; and 6) fixed assets.

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[1] The merger of the Ohio Department of Human Services and the Ohio Bureau of Employment Services to become the Ohio Department of Job and Family Services (ODJFS) took effect July 1, 2000.

5. We performed procedures to confirm internal administrative controls over compliance with the requirements of the Title IV-E program and the Ohio Admin. Code Chapter 5101:2.

6. We performed procedures to determine if Medicaid expenses were properly billed to the program.

7. We performed procedures to determine if there was proper monitoring of the Medicaid counseling.

On August 22, 2001, we held an informational meeting prior to the finalization of the report. Based on the information presented the Placement Agency waived a post audit conference. The meeting was held with the following:

Name	Office/Position
Robert J. Wehr	St. Joseph Executive Director
Tom Salzbrum	St. Joseph Associate Executive Director
Gail McMahan	St. Joseph Chief Financial Officer
Marilyn Vanhoose	St. Joseph Accounting Manager
Beth Detrich	St. Joseph AED
Stacy Nickell	St. Joseph Director Dayton Foster Care
Debbie DeMarcos	St. Joseph Regional Director
Patty Banks	St. Joseph Clinical Director Foster Care
Carolyn Edwards	Auditor of State Auditor in Charge

Our detailed procedures and the results of applying these procedures are contained in the attached *Supplement to Report on Agreed-upon Procedures*. Because these procedures do not constitute an examination conducted in accordance with generally accepted auditing standards, we do not express an opinion or limited assurance on any of the accounts or items referred to above. Also, we express no opinion on the Placement Agency's internal control system over financial reporting or any part thereof. Had we performed additional procedures, or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you. This report addresses transactions relating to the above procedures only and does not extend to the financial statements of the Placement Agency, taken as a whole.

This report is intended for the information of the officials of ODJFS and is not intended to and should not be used by anyone other than this specified party. However, this report is a public record, and is available upon specific request.

JIM PETRO
Auditor of State

May 15, 2001

ST. JOSEPH TREATMENT CENTER
SUPPLEMENT TO REPORT ON AGREED-UPON PROCEDURES

BACKGROUND INFORMATION

In response to concerns about a lack of fiscal accountability and questionable business practices, a memorandum of understanding was signed July 6, 1999, between ODJFS (formerly ODHS) and the Auditor of State (AOS). This memorandum formalized an agreement that ODJFS and AOS would perform investigations utilizing certain agreed-upon procedures under the supervision of the AOS. The agreement called for the AOS to supervise the engagement, issue the report and provide training to selected ODJFS staff members. The procedures are being performed at twenty-five private agencies for periods beginning January 1, 1998 and extending for a minimum of twelve months or a maximum of eighteen months. This is the fifteenth report released of the 25 reports to be issued.

LEGAL AUTHORITY

Administration of Title IV-E Funds

Title IV-E of the Social Security Act authorizes the payment of federal funds to states to provide foster care to children who have been removed from their homes through a voluntary placement agreement or judicial determination.[2] The program is administered at the federal level by the Administration for Children and Families (ACF), United States Department of Health and Human Services.

In the State of Ohio, the Department of Job and Family Services acts as the single state agency to administer federal payments for foster care, and shall adopt rules to implement this authority.[3] Within ODJFS, the program is administered by the Office of Children and Families.

At the local level, each county's public children services agencies (PCSA's) or department of human services administers funds provided under Title IV-E of the Social Security Act in accordance with the rules adopted by the state Department of Human Services.[4]

Public Children Services Agency Contractual Requirements

Public Children Services Agencies (PCSAs) are authorized to enter into contracts with a private child placing agency (PCPA) or a private noncustodial agency (PNA) to provide care and services which it deems to be in the best interest of any child who needs or is likely to need public care and services.[5] PCPA/PNAs are licensed by ODJFS to act as a representative of ODJFS in recommending family foster homes for certification; accept temporary, permanent and legal custody of children; and place children for foster care or adoption. MCCSA, a PCSA, did not enter into such an agreement with St. Joseph, a PNA (see Issue 5-1, Purchase of service agreement).

Billing Process

The PCPA or PNA submits an invoice monthly to the PCSA. The invoice contains specific information on each child, his or her per diem rate and the number of days in placement. Each month, the PCSA pays the PCPAs and PNAs based on their previous month's invoice, and reports to ODJFS the amount paid for each

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[2] 94 Stat. 501 (1980), 42 U.S.C. Section 671, as amended.

[3] Ohio Rev. Code Section 5101.141 (A). Rules established pursuant to this authority are found in Ohio Admin. Code Chapter 5101:2-47.

[4] Ohio Rev. Code Section 5153.16 (A)(14).

[5] Ohio Rev. Code Section 5153.16 (C)(2)(a)(v).

child and for other services including, but not limited to, case management, transportation for the children, recruiting and training foster parents.[6]

Reports and Records

Not-for-profit PCPAs and PNAs that provide foster care services for children eligible under the Title IV-E program are required to submit cost reports annually to ODJFS.[7] Costs reported are used to determine a maximum allowable reimbursement rate under the Title IV-E program for foster care maintenance payments and administrative costs. ODJFS requires that the governing body of the PCPA or PNA authorize and review an annual audit with an opinion of the organization's finances by an independent certified or registered public accountant,[8] and ODJFS asks that a copy of the last completed audit be submitted with the annual cost report. Circular A-110 provides in pertinent part, "Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report . . . "[9]

Circular A-110 provides in pertinent part, "Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report . . . "[10]

Cost Principles

Title IV-E foster care maintenance payments are designed to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable travel to the child's home for visitation.[11] Allowable administrative costs do not include the costs of social services provided to the child, the child's family or foster family which provide counseling or treatment to ameliorate or remedy personal problems, behaviors or home conditions.[12]

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[6] Ohio Admin. Code Section 5101:2-47-11(G). Prior to 5/1/98, these requirements were generally contained in Ohio Admin. Code Section 5101:2-47-65(E).

[7] Form ODHS 2910 Purchased Family Foster Care Cost Report is applicable to PCPAs and PNAs. Annual filing requirement is found in Ohio Admin. Code Section 5101:2-47-24(D). Prior to 5/1/98, the annual filing requirement was contained in Ohio Admin. Code Section 5101:2-47-20(C)(1).

[8] Ohio Admin. Code Section 5101:2-5-08(A) (5). Effective 7/1/00, after the audit period, ODJFS amended this rule to provide that for PCPAs and PNAs with an annual gross income of less than $300,000, it would be sufficient to prepare a written annual financial statement of the PCPA or PNA finances in accordance with generally accepted accounting principles. In addition to having the governing board authorize and review the required financial statements and audits, the amended rule requires agencies to submit them to ODJFS. Ohio Admin. Code Section 5101:2-47-26.2(A)(1), effective 12-01-01, requires that each PCPA or PNA engage an independent public accountant to conduct an annual audit of its financial statements and its Title IV-E cost report.

[9] Office of Management and Budget (OMB) Circular A-110 Uniform "Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations": Subpart C Paragraph 53(b).

[10] Office of Management and Budget (OMB) Circular A-110 Uniform "Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations": Subpart C Paragraph 53(b).

[11] 42 U.S.C. Section 675(4)(A).

[12] 45 C.F.R. Section 1356.60(c)(3) (1999); ODHS Administrative Procedure Letter No. 245, dated 9/22/97; ODHS Family, Children & Adult Services Procedure Letter No. 61, dated 9/9/98.

In addition, because the PCPAs and PNAs enjoy federal tax-exempt status, they are directly precluded from assigning any part of their net earnings "to the benefit of any private shareholder or individual . . . "[13]

Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, establishes an audit requirement for federal funds (including Title IV-E funds) administered by state and local governments and non-profit entities, and authorizes auditors to question unallowed costs which appear to have resulted from a violation of law, regulation or other agreement governing the use of such funds, costs which are not supported by adequate documentation, or appear unreasonable.[14]

ODJFS codified the cost principles to which the PCPAs and PNAs are subject to by promulgation of the Ohio Admin. Code Sections 5101:2-47-11(C) and 5101:2-5-08(G).

Ohio Admin. Code Section 5101:2-47-11(C), states: "Allowable and unallowable cost guidelines for use in completing the ODHS 2909 and ODHS 2910 are contained in rules 5101:2-47-25 and 5101:2-47-26 of the Administrative Code and the Office of Management and Budget (OMB) Circulars A-87 and A-122." [15] Specifically, ODJFS considers certain costs to be unallowable for purposes of calculating the rate at which foster care maintenance costs can be reimbursed with federal Title IV-E funds including, but not limited to, contributions, donations, or any outlay of cash with no prospective benefit to the facility or program; entertainment costs for amusements, social activities, and related costs for staff only; and costs of activities prohibited under section 501(c)(3) of the Internal Revenue Code.[16]

Ohio Admin. Code Section 5101:2-5-08(G) states, "A PCPA or PNA shall not permit public funds to be paid or committed to be paid to any corporation, firm, association or business in which any of the members of the governing body of the agency, the executive personnel or their immediate families have any direct or indirect financial interest, or in which any of these persons serve as an officer or employee, unless the services or goods involved are provided at a competitive cost or under terms favorable to the PCPA or PNA. The PCPA or PNA shall make a written disclosure, in the minutes of the board, of any financial transaction of the PNA in which a member of the board or his/her immediate family is involved."

The Office of Management and Budget Circular A-110 *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations* establishes standards for uniform administrative requirements for Federal grants and agreements with institutions of higher education, hospitals, and other nonprofit organizations. Subpart C of Circular A-110 set forth requirements regarding: financial and program management, property and procurement standards, reports and records and termination and enforcement.

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[13] 26 U.S.C. Section 501(c)(3).

[14] Pursuant to her rulemaking authority under the Single Audit Act, 31 U.S.C. Section 7505, the Secretary of the Department of Health and Human Services has promulgated a regulation which provides that state and local governments, as well as recipients and subrecipients that are non-profit organizations, are subject to the audit requirements contained in the Single Audit Act, 31 U.S.C. Sections 7501 et seq., and OMB Circular A-133. See 45 C.F.R. Section 74.26(b) and (a) (2001), respectively.

[15] Prior to 5/1/98, applicable cost guidelines were contained in Ohio Admin. Code Sections 5101:2-47-63 and 5101:2-47-64.

[16] Ohio Admin. Code 5101:2-47-26. Prior to 5/1/98, these requirements were contained in Ohio Admin. Code Section 5101:2-47-64.

Reimbursement Process

The reimbursement process begins early each fiscal year when ODJFS disburses funds to the counties under its state plan for foster care approved by the Secretary of the U.S. Department of Health and Human Services (HHS). ODJFS submits quarterly reports to the HHS for reimbursement of federal financial participation (FFP) in foster care payments[17] made to the PCPAs or PNAs.

In 1998, the FFP was 58% for maintenance payments[18] made and 50% for administrative costs[19] incurred under the Title IV-E program.

Each PCSA negotiates a foster care per diem rate (which includes maintenance and administrative costs) for each foster child placed with a PCPA or PNA. Maximum allowable federal reimbursement under Title IV-E for maintenance payments and administrative costs are set by ODJFS. The PCPA/PNA may contract with foster parents at a different foster care per diem rate for each foster child.

Allowable Costs

The Ohio Administrative Code and Office of Management and Budget Circular A-122 *Cost Principles for Non-Profit Organizations* formed the criteria to which we referred during our testing to determine if the expenditures at St. Joseph were used to provide the administrative and direct service costs necessary to perform the services.

Administration of Medicaid Services

St. Joseph also receives Medicaid receipts for reimbursement of medical counseling services provided by St. Joseph to the foster children.

Administrative rules promulgated by the Ohio Department of Job and Family Services, Medicaid Division, place certain requirements on applications for reimbursement by providers.

Ohio Admin. Code Section 5101:3-4-02 generally provides for reimbursement of an eligible provider for certain services provided by non-physicians under the direct or general supervision of a physician, including services provided by social workers for the diagnosis and treatment of mental and emotional disorders as outlined in Ohio Admin. Code Section 5101:3-4-29.

Pursuant to Ohio Admin. Code Section 5101:3-4-29(D), reimbursements for such services under the Medicaid program go to the employing or contracting physician or clinic.

Ohio Admin. Code Section 5101:3-4-29(G) requires that these services, performed by a licensed social worker or CSW, must be billed using the following procedure codes:

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17 Ohio Admin. Code Section 5101:2-47-11 recites the foregoing reporting and reimbursement requirements. Prior to 5/1/98, these provisions were recited in Ohio Admin. Code Sections 5101:2-47-20 and 5101:2-47-65.

18 45 C.F.R. Section 1356.60(a)(2) (1999); ODHS Administrative Procedure Letter No. 245, dated 9/22/97; ODHS Family, Children & Adult Services Procedure Letter No. 61, dated 9/9/98.

19 45 C.F.R. Section1356.60(c) (1999); ODHS Administrative Procedure Letter No. 245, dated 9/22/97; ODHS Family, Children & Adult Services Procedure Letter No. 61, dated 9/9/98.

H5010 Therapy, individual, by social worker, per hour.
H5020 Psychotherapy, group (maximum eight persons per group), by non-physician, forty-five to fifty minutes, per person, per session.
H5025 Psychotherapy, group (maximum eight persons per group), by non-physician, ninety minutes, per person, per session.

RESOLUTION OF QUESTIONED COSTS

Certain deficiencies identified in our Review may require us to report questioned costs to the U.S. Department of Health and Human Services and ODJFS.

OMB Circular A-133 defines questioned costs as follows:

"Questioned cost means a cost that is questioned by the auditor because of an audit finding:

1. Which resulted from a violation or possible violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the use of Federal funds;

2. Where the costs, at the time of the audit, are not supported by adequate documentation; or

3. Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances." [20]

The foster care program in Ohio is funded by a combination of federal, state and local funds. Historically the percentage of funding has averaged approximately 37% federal, and 10% state reimbursement, and 53% local. During fiscal year 1998 the percentage of funding was 40% federal, and 10% state reimbursement and 50% local funds. These funds are commingled when paid to the Placement Agency to perform the program functions for which it is certified by ODJFS to perform. The accounting systems of the Placement Agencies, in general, are not designed to classify or track expenditures by the source of funds and it is difficult, if not impossible to match expenditures that result in questioned costs with the corresponding source of funds. Therefore when reporting questioned costs in this report we did not attempt to allocate those costs among the entities that provided the funding.

We recommend that as part of the resolution of our audit findings ODJFS and the PCSAs contracting with St. Joseph. join together to ensure St. Joseph develops and implements a corrective action plan that will result in fiscal accountability[21] and legal compliance[22] in an expeditious manner. Based on the findings we recommend the following:

(1) The PCSAs purchasing services from St. Joseph should determine whether the findings set forth in this report constitutes a breach of their contract, and if so seek an appropriate remedy.

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[20] Office of Management and Budget (OMB) Circular A-133, Subpart A, .105 Definitions

[21] In Ohio Admin. Code Section 5101:2-33-19, Penalties for Failure to Comply with Fiscal Accountability Procedures, effective 12-1-01, ODJFS has set forth the penalties that ODJFS may enforce against PCSAs, PCPAs and PNAs for the failure to comply with procedures involving fiscal accountability.

[22] In Ohio Admin. Code Section 5101:2-47-23.1, Title IV-E Agency Contracting and Contract Monitoring Requirements, effective 12-1-01, ODJFS has set forth the requirements that a PCSA must establish a system of contracts and contract monitoring when purchasing foster care services.

(2) ODJFS should assist the contracting PCSAs in seeking recovery of misspent funds by providing administrative and technical support as needed.

AGENCY INFORMATION

St. Joseph Treatment Center is a private noncustodial agency (PNA) that was established as a nonprofit organization exempt from federal income tax under Internal Revenue Service Section 501 (c)(3). St. Joseph is licensed by the ODJFS to recommend foster families, place children in foster homes, operate a group home, and recommend children for adoption. When a county children services agency needs a home for a foster child, it can contact agencies such as St. Joseph to place the child. The groups of family foster homes (private foster network) utilized by St. Joseph has been in place since July 29, 1986. St. Joseph placed foster children primarily for Montgomery County Children Services as St. Joseph which was located in Montgomery County. St. Joseph has also placed children for Allen, Butler, Clark, Clermont, Cuyahoga, Darke, Franklin, Greene, Hamilton, Holmes, Madison, Miami, Pickaway, Seneca, Shelby and Warren counties. The following table shows statical information about the agency for 1998 and the number of foster children placed with St. Joseph from Montgomery County during 1998, per Michelle Gilkison, Program Director:

The following table shows statistical information about the agency for 1998 taken from the ODHS 2910 Purchased Family Foster Care Cost Report and other documentation provided by the Placement Agency:

Table I
St. Joseph
Foster Care Statistics

Characteristic	Statistic
Daily Average Number of Children in Placement	135
Number of Active Licensed Foster Homes	148
Average Per Diem Rate	$72
Number of PCSA's from Which Agency Receives Children	17
Required Training for Foster Caregiver Orientation	12 Hours
Required Annual Training for Foster Caregiver	12 Hours
Expenditures Reported per the Title IV-E Purchased Family Foster Care Cost Report	$3,898,437
Characteristics of Children Placed by Agency	Traditional to Intensive levels of care

During the Period, St. Joseph foster care staff consisted of 31 who either provided direct foster care services or were involved in the operation of the foster care program, including an executive director, director of finance, accounts payable clerk, accounts receivable clerk, trainers/recruiter, services director, program supervisor, maintenance workers, nurses, chief program officer, HR clerk, secretary, community service, executive assistant, admissions, director of development, director of admissions, housekeeping, receptionist, therapist, director of business development, assistant program supervisor, MIS director, maintenance supervisor, accounting clerk, pastor, advocate, clinical records manager, HR director, chief clinical officer, regional director-Cincinnati, HR specialist, office manager, purchasing manager, director of program development, CFO, acting executive director, payroll manager, volunteer coordinator, regional director - Columbus, summer CCW, nursing director, and psychiatrist to provide the needed counseling and case management services and foster parent supervisor/trainers to the foster children and foster parents.

St. Joseph's foster care revenues were comprised primarily of funds from Montgomery County Children Services. The total revenue received by St. Joseph, Inc. from Montgomery County Children Service Agency during the Period of January 1, 1998 to December 31, 1998 was 841,903.

The following table shows the sources of revenue per the general ledger for the calendar year 1998 and the percentage of total revenue for each source.

Table II
St. Joseph
Revenue by Source

	1998	**Percent of Total Revenue**
Montgomery County	841,903	7
Hamilton County	472,872	4
Butler County	214,574	2
Franklin County	187,819	2
All other County Agencies	1,884,670	16
Grant Revenue	151,775	1
Medicaid	2,054,111	18
United Way	148,195	1
Contributions	538,722	5
Other Child Care Fees	4,977,320	43
Rental Revenue	18,500	1
Totals	$11,490,461	100%

Relevant Individuals

David Emenhiser

David Emenhiser was the Executive Director of St. Joseph. He served as Executive Director until October 31, 1998. Mr. Emenhiser's responsibilities included oversight of the agency, approving vouchers for payment, signing checks for both the general and payroll accounts. Mr. Emenhiser resigned effective October 31, 1998.

Marilyn Jones

Marilyn Jones was appointed as Acting Executive Director of St. Joseph to replace David Emenhiser. Prior to being appointed to this position Ms. Jones was the Chief Operating Officer, and was responsible for approving vouchers for payment. Ms. Jones appointment ended December 3, 1999.

Michelle Gilkison

Ms. Gilkison has been with St. Joseph for more than 12 years and has held numerous positions within the agency. She was the Chief Program Officer of St. Joseph for the Period. Ms. Gilkison resigned effective June 30, 2001.

Michael Francis

Mr. Francis was the Controller for the agency in 1998. Mr. Francis was responsible for posting to the general, accounts payable, and accounts receivable ledgers, signing vouchers for the regular checking, payroll and special accounts, reconciling bank accounts and approving bank reconciliations. He resigned in April 1999.

Sheila Kochis

Ms. Kochis was the Chief Financial Officer during the Period. Ms. Kochis was responsible for posting to the general, accounts payable, accounts receivable ledgers, signing vouchers for the regular checking account, payroll and special accounts, reconciling bank accounts and approving bank reconciliations. She resigned in December 1998.

ISSUE 1	TEST OF EXPENDITURES IN ACCORDANCE WITH TERMS OF AGREEMENTS AND APPLICABLE LAWS

Objective:

To determine whether the Placement Agency's expenditures complied with provisions of applicable laws and regulations, and proper business purposes during the Period.

Procedures Performed:

1. We obtained all canceled checks for non-payroll disbursements made by St. Joseph for each month during the Period. (See Issue 5 for the reconciliation of payroll disbursements).

2. We inspected the details of every canceled check returned by the bank during the Period including vendor, amount, authorizing signature and endorsement for compliance with the terms and conditions of its contractual agreements, provisions of applicable laws and regulations, and proper business purposes.

3. For selected disbursements which did not appear reasonable considering: the nature of business or the vendor; high dollar amounts; checks payable to the staff or foster parents or payments that appeared to be contrary to policy, we requested supporting documentation, such as invoices.

4. We inspected the supporting documentation to determine compliance with program requirements for expenditures and for potential self-dealing transactions prohibited by Ohio Admin. Code Section 5101:2-5-08 (G).

5. We discussed with agency management all expenditures (check disbursements) that we found lacked adequate supporting documentation, were unallowable or unreasonable as defined in applicable rules, regulations and/or contract provisions.

6. We obtained all credit card statements paid by St. Joseph for the Period and inspected details of each charge including vendor, amount, and authorization for compliance with the terms and conditions of its contractual agreements, provisions of applicable laws and regulations, and proper business purposes.

7. For selected credit card expenditures which did not appear reasonable considering: the nature of business or the vendor; high dollar amounts; charges related to the staff or foster parents or expenditures that appeared to be contrary to policy, we requested supporting documentation, such as invoices.

8. We discussed with agency management all credit card expenditures that we found lacked adequate supporting documentation, were unallowable or unreasonable as defined by applicable rule regulations and/or contract provisions.

9. We read lease agreements and other documents supporting all car lease payments. We reviewed documentation supporting how the percentage of time the cars were used for business and personal use was determined and whether personal use was properly disclosed on the employees' W-2.

10. We read lease agreements and other documentation supporting all building lease or mortgage payments to determine property ownership, previous ownership and relationship between current and previous owners and the Placement Agency.

ISSUE 1-1	CHECK AND CREDIT CARD DISBURSEMENTS NOT ALLOWED OR WHICH LACKED SUPPORTING DOCUMENTATION

Results:

Office of Management and Budget (OMB) Circular A-122 "Cost Principles of Non-Profit Organizations," requires that for a cost to be allowable, it must, among other factors be reasonable and adequately documented.[23]

The Circular further provides: "...The question of reasonableness of specific costs must be scrutinized with particular care in connection with organizations or separate divisions which receive the preponderance of their support from awards. In determining the reasonableness of a given cost, consideration shall be given to: a) whether the cost is of a type generally recognized as ordinary and necessary for the operation of the organization or the performance of the award, b) the restraints or requirements imposed by such factors are generally accepted sound business practices, arms length bargaining . . . c) whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the organization, its members, employees, and clients, the public at large." [24]

[23] OMB Circular A-122 "Cost Principles of Non-Profit Organizations", Attachment A, Paragraph A (2)(a) and (g).

[24] OMB Circular A-122, Attachment A, Paragraph (A)(3)(a) through (c).

We inspected nine hundred seventy-seven (977) credit card expenditures totaling $88,715. We requested supporting documentation for these expenditures such as invoices, billing statements, calendar dates of the foster care related event, authorization by the board or responsible party, and an explanation of how the expenditure provided a benefit the to program or was necessary to the operation of the foster care program. St. Joseph was unable to provide us with the above types of supporting documentation as requested for 475 transactions totaling $24,258.

Because the agency was unable to supply us with adequate documentation, as described above, these expenditures were in direct violation of OMB Circular A-122, Attachment A, Paragraph (A)(2)(g).[25] Undocumented expenditures totaled $24,258.

Additionally, fifteen (15) credit card expenditures totaling $1,023 for staff gift purchases, and ten (10) purchases for flowers totaling $309 were deemed unallowable and in violation of OMB Circular A-122, Attachment B, Paragraph 18 which states, “Costs of goods or services for personal use of the organization’s employees are unallowable regardless of whether the cost is reported as taxable income to the employees. Furthermore, Ohio Admin. Code Section 5101:2-47-26(A)(6) states in pertinent part, “ . . . any outlay of cash with no prospective benefit to the facility or program” are considered unallowable.” Unallowed entertainment costs totaled $1,332.

Table III
St. Joseph Treatment Center
Questioned Cost

UNDOCUMENTED EXPENDITURES	
Dining	
Applebees	$309
Benham Caterers	425
China Cottage	129
Cracker Barrel	307
Donato Pizza	491
Seven Stars	124
Szechuan	106
Marriott Hotel	409
Miscellaneous Restaurants	2,071
Total Dining Expenditures	4,371
Office Supply Expenditures	
Airborne Express	1,434
Office Depot	535
Office Max	12
Pitney Bowes	499
USPS	64
The Paper Box	58
Kinko’s	82
Total Office Supplies Expenditures	2,684

25 A-122, Attachment A, Paragraph (A)(2)(g) states in pertinent part, “To be allowable under an award, costs must meet the following general criteria:...Be adequately documented.”

Table III
St. Joseph Treatment Center
Questioned Cost

Auto Expenditures	
Sunco	181
Shell	137
BP	199
Blacks Automotive	766
Bob Barker, Inc.	1,092
Champion Auto	268
National Tire	528
Eastgate Ford	661
Miscellaneous Auto Expenditures	216
Total Auto Expenditures	4,048
Delta	820
USAIR	298
Uniglobe Travel	50
TWA	75
Parking Management	8
PMI	16
Amerihost Inns	129
Holiday Inn	299
Hyatt Hotel	613
Marriott Hotels	109
Total Travel and Lodging Expenditures	2,417
Grocery Store Expenditures	
Krogers	442
Woody's	131
Cub Foods	5
Meijers	205
Total Grocery Store Expenditures	783
Department Store Expenditures	
Elder Beerman	926
J.C. Penny's	150
Parisians	47
Kmart	518
Lazaus	224
Sears	93
Value City	110
Walmart	494
Total Department Store Expenditures	2,562

Table III
St. Joseph Treatment Center
Questioned Cost

Electronic Store Expenditures	
Best Buy	165
Comp-USA	138
Rex TV	375
Radio Shack	112
Lynch Comm.	191
GTE	309
Total Electronic Store Expenditures	1,290
Book Store Expenditures	
Barnes & Noble	28
Franklin Covey	545
Books & Co.	278
Waldenbooks	191
Family Books	57
Kirkland	36
Pritchert Publishing	75
Readings Fun Books	89
Total Book Store Expenditures	1,299
Miscellaneous Vendors	
CEI Successories	138
Child Welfare League	547
Classy Lady	66
Fine Host	79
Forward Motion	112
Fussnecker Sweeper	337
Heartland of America	316
Life Events	395
Masuen Co	132
Medical Arts Press	371
Ridge way Prescriptions	591
This Week	225
Safety Short	165
Silhouettes	132
Stevenson Consultants	89
Stromie’s Pro Shop	159
Superpetz	10
Miscellaneous Stores	940
Total Miscellaneous	4,804
Total Undocumented Credit Card Expenditures	24,258

Table III
St. Joseph Treatment Center
Questioned Cost

UNALLOWED EXPENDITURES	
Gift Purchase Expenditures	
Card Cage	21
Christmas Year Round	71
Gift Bearer	13
GThanks	132
Hallmark	128
Lisa Wedding	107
Memories	23
Omijie Gifts	26
Osterman Jewelers	109
Sweetheart Creations	393
Total Gift Expenditures	1,023
Flower Expenditures	
Colonial Flowers	59
Oberer's Flowers	144
Virgil Alwood Florist	33
Tommy Tucker Flowers	13
Sherwood Florist	60
Total Floral Purchases	309
Total Unallowed Expenditures	1,332
Total Questioned Costs	$25,590

Federal Questioned Costs: $25,590

Due to unallowed and inadequately documented expenditures reported on the ODHS 2910 Purchased Family Foster Care Cost Report(s) and/or charged against the foster care program, St. Joseph was in violation of OMB Circular A-122[26] in the amount of $25,590. St. Joseph was also in violation of OMB Circular A-122 Attachment B, Paragraphs 2, 3 and 14, and/or Ohio Admin. Code Section 5101:2-47-26(A)(7)-(A)(9) with respect to the unallowed expenditures in the amount $1,332. The total federal questioned cost equaled $25,590.

Management Comment:

The Montgomery County Children Services Agency should enter into contractual agreements with all agencies providing it's foster care services (see Issue 5-1). Furthermore it should require the agencies for which it contracts for placement services, to obtain and submit to MCCSA an annual financial audit

[26] Office of Management and Budget (OMB) Circular A-122 "Cost Principles for Non-Profit Organizations," Attachment A, Paragraph A(2)(a) and (g).

performed in accordance with government auditing standards.[27] In addition to the independent auditor's report on the financial statements, professional standards would require the auditor to report on the Placement Agency's compliance with laws and regulations and on internal controls. MCCSA should review these reports and follow up on any exceptions reported.

ISSUE 1-2	UNALLOWABLE COSTS OF FEES, FINES AND PENALTIES

Results:

Costs of fines and penalties resulting from violations of, or failure of the organization to comply with Federal, State, and local laws and regulations are unallowable . . . [28]. Furthermore, Ohio Admin. Code Section 5101:2-47-26(A)(6) states in pertinent part, " . . . any outlay of cash with no prospective benefit to the facility or program" are considered unallowable."

OMB Circular A-122, Attachment B, Paragraph 23(a)(1), which states in pertinent part: "Costs incurred for interest on borrowed capital or temporary use of endowment funds, however represented, are unallowable..." The agency's reporting of these expenditures on its ODJFS 2910 Purchased Family Foster Care Cost Report was also in violation of Ohio Admin. Code Section 5101:2-47-26(A)(9), which generally disallows the reporting of "Costs incurred for interest on borrowed capital...."[29]

An entity's internal control structure is placed in operation and maintained by management to prevent and detect misstatements in the accounting records; to safeguard the entity's assets against loss; to help ensure compliance with laws and regulations; and to provide a basis for measuring whether operations are achieving management's objective.

During the period St. Joseph experienced a large turnover in staff and management. This resulted in internal control procedures not being adhered to. Expenditures were made without prior approval and bills were paid late, which resulted in the agency incurring fees. During the Period St. Joseph processed expenditures in the amount of $10,385,222 and incurred $4,765 (.05%) (which consist of $3,370 in finance fees; $1,100 in late fees; $15 in cash advance fees, and $280 in over-the-limit fees).

Federal Questioned Costs: $4,765

The expenditures as described above were in direct violation of OMB Circular A-122, Attachment B, Paragraphs 16, and 23(a)(1), and Admin. Code Section 5101:2-47-26(A)(9.) Total federal questioned cost equaled $4,765.

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[27] In Ohio Admin. Code Section 5101:2-47-26.2, Audits of PCSAs, PCPAs and PNAs, effective 12-1-01, ODJFS has set forth the annual audit requirements.

[28] Office of Management and Budget (OMB) Circular A-122 "Cost Principles for Non-Profit Organizations", Attachment B, Paragraph 16

[29] Prior to 5/1/98, Ohio Admin. Code Section 5101:2-47-64(I) prohibited, among other things, "interest on borrowings."

Management Comment

St. Joseph should develop and implement policies and procedures which would allow for monitoring of the agencies cash flow. All reported shortages should be reported to the board immediately. The agency should implement preapproval procedures and a system of monitoring these procedures to ensure that they are adhered to.

ISSUE 2	TEST OF FUNDING RECEIVED FROM PUBLIC SOURCES

Objective:

1. We determined the types of revenue that St. Joseph received during the Period, by scanning the audited financial statements and the supporting general ledger.

2. We identified the sources of receipts received from bank statements and other related records.

3. We obtained documentation from the Montgomery County Auditor to determine the completeness of receipts received and deposited for fees for services and Medicaid.

4. We tested a sample of 10% of the monthly billings by the Placement Agency to MCCSA for foster care placements to determine whether the amounts billed were received, and the receipts were deposited and recorded in the Placement Agency's financial records.

5. We scanned all revenue remittances and the general ledger to determine whether revenue had been recorded in the accounting records of the Placement Agency.

Results:

We documented the types of revenue that St. Joseph Treatment Center received as: program service fees from various counties, gifts, investment income and grants. St. Joseph received Medicaid payments during the Period. We obtained documentation from the County Auditor to determine the completeness of the receipts from MCCSA.

Furthermore, we determined that all MCCSA disbursements to St. Joseph Treatment Center were receipted, deposited and recorded in its accounting records.

ISSUE 3	TEST OF PAYMENTS TO FOSTER PARENTS

Objectives:

1. To determine whether Title IV-E maintenance funds received by St. Joseph Treatment Center were used in accordance with the Social Security Act.

2. To determine whether St. Joseph Treatment Center's per diem payments to the foster parents were in accordance with the authorized schedule of per diem rates.

3. To determine the ratio of the per diem payments used for administration and maintenance.

ST. JOSEPH TREATMENT CENTER
SUPPLEMENT TO REPORT ON AGREED-UPON PROCEDURES

Procedures Performed:

1. We obtained from Montgomery County Children Services the ODHS Title IV-E Disbursement Journals detailing the federal reimbursement to Montgomery County Children Services for the months of January 1998 to December 1998 for foster care services. We also obtained from the Montgomery County Auditor a vendor payment history report for St. Joseph Treatment Center for the same period and traced these payments to the invoices submitted by St. Joseph Treatment Center.

2. We selected a representative sample of children identified by MCCSA as Title IV-E eligible children being serviced by St. Joseph Treatment Center Federal maintenance payments for these children totaled $39,947 or 40% of the sample.

3. We found the child's name on the appropriate month's ODHS Title IV-E Disbursement Journal. We documented the amount of federal maintenance reimbursement that would have been paid for each child.

4. We compared payments received by St. Joseph Treatment Center from MCCSA to the corresponding St. Joseph Treatment Center billing in the month selected for each child in the sample.

5. We determined whether the total amount of the federal reimbursement for maintenance (58%) was used for the care of the foster child.

6. We determined whether the total amount of the county's required match to the federal reimbursement for maintenance (42%) was used for the care of the foster child.

7. We obtained the contracts or per diem agreements between St. Joseph and the foster parent for each child in the sample.

8. We obtained and compared the authorized schedule of per diem rates to rates paid per the agreements between St. Joseph and MCCSA and between St. Joseph and foster caregivers.

9. We compared St. Joseph Treatment Center's per diem paid to the foster parents with the corresponding per diem it received from MCCSA to determine the ratio of payments for administration and maintenance.

ISSUE 3-1	ODJFS SYSTEMIC MISCLASSIFICATION OF COSTS RESULTS IN OVER PAYMENT OF THE TITLE IV-E MAINTENANCE REIMBURSEMENT

Results:

Payments for foster care maintenance are intended to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable travel to the child's home for visitation.[30]

[30] 42 U.S.C. Section 675 (4)(A)

ODJFS submits quarterly reports to the U.S. Department of Health and Human Services (HHS) for reimbursement of federal financial participation (FFP) in foster care payments[31] made to the PCPAs and PNAs. In 1998, the FFP was 58% for maintenance payments[32] made and 50% for administrative costs[33] incurred under the Title IV-E program.

We selected a sample of 36 children eligible for Title IV-E federal maintenance reimbursements. We found that the PNA billed and MCCSA submitted $74,745 to ODJFS for reimbursement. ODJFS did not require the Placement Agency to specifically identify the amounts for maintenance and administration. ODJFS then requested FFP for foster care maintenance costs of $68,874 and received $39,947at the 58% FFP reimbursement rate, however the Placement Agency made maintenance payments to foster parents totaling $38,6358. The remaining $30,239 was retained by St. Joseph and used for administrative costs or other purposes.

The table below documents the amount of federal questioned costs and overpayment of the Title IV-E federal maintenance reimbursement.

Table IV
Overpayment of Title IV-E Maintenance Reimbursement

Amount Paid to PCSA for Reimbursement of Maintenance Costs (Federal Financial Participation)	$39,947
Required PCSA Match for Federal Financial Participation	28,927
Total Title IV-E Maintenance Claimed by ODJFS	68,874
Amount Paid by PNA to Foster Parents for Maintenance	(38,635)
Overstatement of Maintenance Claim	$30,239

Projected Questioned Costs:

We specifically identified $30,238 of maintenance overclaimed in our sample. In order to evaluate the potential effect caused by these systemic problems in ODJFS' cost reporting, rate setting and cost reimbursement processes, we estimated the total likely questioned costs.

31 Ohio Admin. Code Section 5101:2-47-11 recites the foregoing reporting and reimbursement requirements. Prior to 5/1/98, these provisions were recited in Ohio Admin. Code Sections 5101:2-47-20 and 5101:2-47-65.

32 45 C.F.R. Section 1356.60(a)(2) (1999); ODHS Administrative Procedure Letter No. 245, dated 9/22/97; ODHS, Family Children and Adult Services Procedures Letter No. 61, dated 9/9/98.

33 45 C.F.R. Section 1356.60(c) (1999); ODHS Administrative Procedure Letter No. 245, dated 9/22/97; ODHS, Family Children and Adult Services Procedures Letter No. 61, dated 9/9/98.

We used the ratio approach, as illustrated below:

Dollar Amount of Error: / Dollar Amount of Sample	$30,239/$68,874	43.90 %
Dollar Amount of Population		X $1,891,150
Projected Overstatement of Maintenance Claim		$830,215
Actual Maintenance Reimbursement Claim (58% reimbursement rate x 830,215)		$481,525
Allowable Administrative Reimbursement Claim (50% reimbursement rate x 830,215)		$415,108
Overpayment of Maintenance Claim		$66,417

Federal Questioned Cost: $66,417

The Social Security Act requires that maintenance payments be used to meet the expenses as defined in section 675 of the Social Security Act. In our sample, we found that the maintenance cost claimed for federal reimbursement was overstated by $30,239 and when extended to the population using the ratio approach resulted in questioned costs of $66,417.

ODJFS should take the Federal Questioned Cost over reported to the County and recompute the Title IV-E per diem reimbursement rate that should have been paid to the Placement Agency during the Period and reimburse HHS, ODJFS or the PCSA for the overstated costs.[34]

Management Comment

These questioned costs are a result of systemic problems in the ODJFS cost reporting, rate setting, and cost reimbursement processes. We recommend ODJFS redesign those processes to ensure costs are properly classified and reimbursements accurately claimed.[35] We further recommend that an adjustment to correct the overpayment of the Title IV-E maintenance reimbursement be made with the U.S. Department of Health and Human Services.

ISSUE 3-2	RATIO OF PAYMENT FOR ADMINISTRATION AND MAINTENANCE

Results:

We tested the payments from Montgomery County Children Services Agency (MCCSA) to St. Joseph for a sample of 50 foster children. The payments to the Placement Agency for this sample totaled $100,386. We noted that the Placement Agency received the correct per diem rates.

The foster parents in the sample received $53,014, and we noted that these foster parents received the correct per diem rates per the MCCSA per diem agreement. Of the $100,386 received from MCCSA by the

34 Pursuant to Ohio Admin. Code Section 5101:2-47-01(L). Prior to 5/1/98, these provisions were recited in Ohio Admin. Code Sections 5101:2-47-03(H).

35 In Ohio Admin. Code Section 5101:2-47-26.1, Procedures to Monitor Cost Reports submitted by PCSAs, PCPAs, and PNAs, effective 12-1-01, ODJFS has set forth the cost report monitoring requirements.

Placement Agency the foster parents received $53,014 or 53% of the total funds paid to the Placement Agency by MCCSA. The remaining $47,372 or 47% was retained by St. Joseph and used for administrative costs, other direct services to children, or other purposes.

Management Comment:

ODJFS should establish by administrative rule a cap on the percentage of the private agency's allowable administrative cost. This administrative cost cap should be structured in a manner that maximizes the amounts expended for maintenance and other direct services to children, while allowing a reasonable percentage for necessary administrative costs.

ISSUE 3-3	MANAGING CHANGES TO RATES AND PER DIEM AGREEMENTS

Results:

The Placement Agency should ensure the proper authorization and timely updating of per diem agreements between the Placement Agency and the foster caregiver whenever a change occurs in the level of care.

Per diem agreements between a Placement Agency and foster parents should represent the agreement of both parties to the terms of the foster care relationship. The Placement Agency should update their per diem agreements with the foster parents when changes occurred (increases or decreases in the assessed level of care rate which affects the amount paid to foster parents).

Foster parents working with St. Joseph received a per diem agreement at the initial placement of a child in their home. While changes in the per diem agreements were recorded in the foster parent files, no per diem agreement amendments were prepared for approval by St. Joseph or the individual foster parent. During our testing, it appeared that foster parents received one rate for the care of a child for the entire duration of the child's placement, when in fact there were several rate changes during the Period.

Management Comment:

Amendments or new per diem agreements with foster parents should be completed for each subsequent rate change. This procedure would provide greater assurance to both the Placement Agency and the foster parents that current and properly authorized rates are used when making payments. Management should periodically monitor these procedures to ensure per diem agreements are updated in a timely manner.

In January 2000 procedures were written to indicate that an updated per diem agreement should be completed upon initial placement and whenever a level of care change occurs.

ISSUE 3-4	DUPLICATE MAINTENANCE PAYMENT

Results:

Ohio Admin. Code 5101:2-5-29(C) states that "An agency shall maintain in each family foster home record a log of all children placed in the family foster home. The log shall contain, at a minimum:

1) The name of the foster child;
2) The child's date of birth;
3) The date of placement in the family foster home;
4) The date of discharge/removal from the family foster home; and
5) The new location of the child."

Furthermore, Ohio Admin. Code Section 5101:2-47-26(A)(6) states in pertinent part, " . . . any outlay of cash with no prospective benefit to the facility or program" are considered unallowable."

During our review the following was noted:

- The agency changed the placement of one child
- The placement log was not updated when the move occurred
- The agency made duplicate payments for the months of July to December 1998 to Robert and Mildred Minnish, for a child who was not in their care
- The overpayment totaled $4,544
- Repayment had not been made as of August 22, 2001

Federal Questioned Cost: 4,544

The Placement Agency's failure to update its records timely and the duplicate payments were a direct violation of Ohio Admin. Code 5101:2-5-29(C) and 5101:2-47-26(A)(6), respectively. Furthermore, adouble payment is not a reasonable expenditure, as required by OMB Circular A-122, Attachment A, Paragraph (A)(2)(a) and defined by OMB Circular A-122, Attachment A, Paragraph (A)(3).
Total federal questioned cost equaled $4,544.

Management Comments:

St. Joseph should establish procedures that ensure that child placement logs are updated timely. We recommend that the placement logs be crossed checked with the per diem agreements to ensure that the correct foster parents receive the correct payment amounts. We further recommend that St. Joseph implement procedures to monitor records to ensure continuous compliance.

Regarding the overpayments noted in our review, we urge St. Joseph to take action under its per diem agreements to collect the overpayments from the foster parents who received them. Collection might be achieved through a lump sum recovery or through deductions from current per diem payments in an amount which will not interfere with the foster parents' ability to provide current care to children.

ISSUE 4	TEST OF INTERNAL CONTROLS

Objectives:

1. To identify internal control weaknesses in the policies and procedures in place at the Placement Agency.

2. To recommend improvements in the internal control system in efforts to eliminate noncompliance, and increase fiscal accountability.

Procedures Performed:

1. We read the Board of Trustees' minutes, personnel records, and organizational chart to identify potential conflicts of interest and self dealing transactions that could result in noncompliance with Ohio Admin. Code Section 5101:2-5-08.

2. We completed a review of internal controls, and identified weaknesses that existed in the accounting cycle.

3. We documented information, obtained through inquiry and observation, on the Placement Agency's internal control policies and procedures relating to: 1) cash disbursements and expenses; 2) revenues; 3) personnel and payroll; 4) accounts receivable; 5) inventories; and 6) fixed assets.

ISSUE 4-1	ACCOUNTING POLICIES AND PROCEDURES

Results:

Adequately designed accounting policies and procedures enhance the reliability of the agency's financial reporting and better ensure compliance with applicable laws, regulations, and contracts.

Based on inquiry and observation the Placement Agency maintains a policy and procedure manual on disk. The manual is not distributed to all employees of the Placement Agency. Additionally, we noted the agency was unable to provide us with a written policy with respect to the usage of company credit cards.

The lack of written policies and procedures is an internal control weakness that if corrected would strengthen financial accountability and legal compliance. By not distributing the existing policy and procedure manual to all, employees may have difficulty in carrying out their responsibilities.

Management Comment:

We recommend St. Joseph develop and implement written accounting policies and procedures that incorporate the applicable federal, state, and county compliance requirements. Additionally, we recommend that St. Joseph distribute the policy and procedure manual to all employees.

ISSUE 4-3	SEGREGATION OF DUTIES

Results:

An entity's internal control structure is placed in operation and maintained by management to prevent or detect misstatements in the accounting records; to safeguard the entity's assets against loss; to help ensure compliance with laws and regulations; and to provide a basis for measuring whether operations are achieving management's objectives.

An effective internal control structure requires segregation between the authorization, recording, and custody of assets. It is management's responsibility to implement procedures and devise control activities that effectively segregate employees' job functions and promote the reliability of data through the performance of internal account reconciliations. Additionally, proper management of cash requires solid internal controls and strict adherence to deposit and investment policies. For example, if controls are not placed in operation that provide for a segregation of cash disbursing and receipting activities, theft of cash may occur and not be detected by management. If checks received are not restrictively endorsed and posted daily, the monies could be lost or misappropriated. In addition, money may not be available to cover expenditures in a timely manner.

During our review it was noted that the chief financial officer and the controller were assigned the same duties of:

- posting to the general ledger,
- posting to accounts receivable,
- approving vouchers for payment,
- posting to the accounts payable ledger,

- signing checks for the regular account, payroll and special accounts,
- preparing bank reconciliations, and
- approving bank reconciliations.

There was no one assigned the duties to verify the accuracy of the information once completed, which resulted in:

- unauthorized and unallowable expenses being paid, see issue 1-1 and 1-2,
- checks being paid without proper supporting documents, see issue 1-1,
- checks were written but held when funds were not sufficient to cover the checks[36],
- negative balances in the checking account, and
- a lack of procedures for overview and monitoring of records provided.
- St. Joseph experienced a large turnover in its key employees. The Executive Director, Controller, Chief Financial Officer, and the Central Ohio Regional Director all resigned in 1998,
- checks were written but held when funds were not sufficient to cover the checks[37],
- there was a negative balance in the St. Joseph checking account,
- the accounts and pledges receivable ledgers were not kept current, which resulted a sizable adjustment by the agency's auditors at year end, and

If controls are not in place and working properly, omissions and misrepresentations may occur in the financial records of the agency without being detected. Furthermore, the risk of errors, potential fraud and embezzlement occurring without being detected due to the lack of supervisory or overview controls is greater.

Management Comment

We recommend that St. Joseph segregate transaction authorization, cash handling and accounting activities in order to eliminate conflicting duties being assigned to one person. This will improve the effectiveness of the internal control. Furthermore, we recommend that any check payable to the Executive Director or authorized signers, be authorized/approved or reviewed by the board.

As of April 1999, duties have been segregated in regards to transaction authorization, cash handling and accounting activities. Furthermore, any check payable to the Executive Director or authorized signers must be approved by the Board of Trustees.

ISSUE 4-4	SAFEGUARDING OF THE ASSETS

Results:

An agency's assets should be safeguarded from unauthorized use or theft. Furthermore, an agency should establish policies on the use of its assets and procedures to safeguard and account for them.

During the Period we noted that St. Joseph did not have a policy on safeguarding and accountability of assets.

Failure to adequately control all checks and company credit cards exposes the Agency to the risk that theft or unauthorized or unallowable expenditures could occur and go undetected.

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36 September 15, 1998 Board of Trustees minutes

37 September 15, 1998 Board of Trustees minutes

Management Comment:

St. Joseph should develop a policy on the safeguarding and accountability of assets, such as fixed assets and agency credit cards. Development and communication of this policy would reduce the risk of unauthorized or unallowable expenditures or theft of agency assets. The policy should require that agency assets be kept secure and accounted for regularly.

ISSUE 4-5	FIXED ASSET POLICY

Results:

A comprehensive written fixed asset policy would increase the Placement Agency's ability to properly account for its fixed assets, and ensure they are adequately safeguarded from loss, theft, or unauthorized use.

Based on inquiry and observation, the Placement Agency did not have a written fixed asset policy or procedures for the treatment of capital expenditures and repairs, nor did they perform an annual fixed asset inventory. The Placement Agency relied upon its external auditors to calculate the fixed asset balances and related depreciation expense and accumulated depreciation reported in the financial statements.

Failure to complete an annual physical inventory and maintain accurate accounting records increases the risk that assets which may have been lost, stolen, or improperly used would go undetected. This could over/under state the fixed assets reported by the entity in it's financial statements.

The Placement Agency was not aware of the risk imposed by not taking a physical inventory nor the benefits of having a fixed asset policy.

Management Comment:

We recommend that St. Joseph develop and implement a fixed asset policy that, at a minimum, provides guidance on the following:

1. The types of fixed asset records to maintain, such as a detailed listing of plant, property and equipment or a current professional appraisal of assets. The list should include beginning balances, additions, deletions (including gains or losses on sales), transfers, ending balances and depreciation expense and accumulated depreciation (where applicable).

2. Categories of fixed assets include land, land improvements, buildings and structures, machinery, equipment, furniture, tools, donated assets and leasehold and leasehold improvements.

3. Basis for valuing assets at either the cost or estimated historical cost and capitalization thresholds which establishes the criteria for when expenditures should be capitalized excluding repairs and maintenance.

4. Depreciation and amortization method, such as straight line over the useful lives of the assets and salvage values, procedures for the depreciation of additions and retirements, and the accounting for fully depreciated assets.

5. Annual fixed asset inventory by visually comparing the asset and the information on the detailed fixed asset listing.

6. Authorized use of its assets, such as a log noting date, person, purpose and location for the use of the asset.

This would promote the consistent treatment of similar assets, safeguard them from theft or misuse and improper and inaccurate reporting of the fixed assets and related depreciation on the financial statements.

ISSUE 4-6	RETENTION POLICY

Results:

Ohio Admin. Code section 5101:2-5-13 (A)(21) states: "An agency shall have a written policy regarding access, confidentiality, maintenance, security and disposal of all records maintained by the agency."

These policies should include procedures to implement controls for an effective system for monitoring costs and to ensure that proper amounts are billed and received for services rendered, and that ledgers are updated in a timely manner.

During our review it was noted:

- The agency had a large turnover in its key employees. The Executive Director, Controller, Chief Financial Officer, and the Central Ohio Regional Director all resigned in 1998,
- Checks were written but held when funds were not sufficient to cover the checks[38],
- Negative balances in the checking account,
- Source documents for the cost report for fiscal 1998 could not be located, and
- Accounts and pledges receivable ledgers were not kept current, which resulted a sizable adjustment by the agency's auditors at year end.

The lack of an effective system of monitoring impairs the agency's ability to manage costs and ensure that the proper amounts are billed and received for services rendered.

Management Comment:

We recommend that, St. Joseph, in order to comply with Ohio Admin. Code 5101:2-5-13(A)(23), adopt written policies and procedures regarding access, confidentiality, maintenance, security and disposal of all records maintained by the agency. These policies should include procedures to implement controls for an effective system for monitoring costs and to ensure that proper amounts are billed and received for services rendered, and that ledgers are updated in a timely manner.

In 1999 St. Joseph implemented new policies regarding retention of records, other than financial records.

ISSUE 4-7	AUDIT COMMITTEE

The Audit Committee is essential to enhancing the credibility of the Placement Agency's financial reporting by ensuring the reliability of the audit.

Generally accepted auditing standards require that auditors communicate the following information to an audit committee:

- The auditors' professional responsibility under generally accepted auditing standards;
- Selections of accounting standards;

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- Sensitive accounting estimates;
- Significant audit adjustments;
- Disagreements with management;
- Difficulties encountered in performing the audit.

St. Joseph did not have an audit committee. A well functioning audit committee would better ensure the independence and objectivity of the independent public accountant in addition to making sure the Board of Trustees are aware of significant deficiencies in internal control and noncompliance with laws and regulations.

Management Comment:

We recommend that St. Joseph establish an audit committee. An audit committee could strengthen board oversight by performing the following functions:

- Periodically review the process used to prepare interim financial information submitted to the Board of Trustees;
- Review and evaluate audit results;
- Assure that audit recommendations are appropriately addressed;
- Assure auditors' independence from management; and
- Serve as liaison between management and independent auditors.

The audit committee should include persons knowledgeable of the Placement Agency's operations and in finance and management. The audit committee should meet regularly (perhaps quarterly) to monitor the Placement Agency's financial reporting and internal control activities, and should meet with its independent auditors before and after each audit.

ISSUE 5	TEST OF INTERNAL ADMINISTRATIVE CONTROLS OVER COMPLIANCE WITH REQUIREMENTS OF THE TITLE IV-E PROGRAM AND THE OHIO ADMINISTRATIVE CODE CHAPTER 5101:2

Objectives:

1. To identify the administrative compliance requirements of the foster care program.

2. To identify significant administrative noncompliance with the provisions of the foster care program.

3. To determine if the Family Foster Home Records, completed and maintained by the PCPA/PNA, were in compliance with applicable sections of the Ohio Administrative Code.

4. To determine whether Title IV-E maintenance funds received by St. Joseph were used in accordance with the Social Security Act.

5. To determine whether the ODHS 2910 Purchased Family Foster Care Cost Report(s) submitted to ODJFS by St. Joseph was accurate and completed in accordance with ODJFS regulations.

Procedures Performed:

1. We read the Board of Trustees minutes, personnel records, and organizational chart to identify potential conflicts of interest and self dealing transactions that could result in noncompliance with Ohio Admin. Code Section 5101:2-5-08.

2. We determined whether the family foster home files were maintained in compliance with the applicable rules prescribed in Ohio Admin. Code Chapter 5101:2.

3. We determined whether the PCPA/PNA established a policy on: respite care; alternative care arrangements; residency; training and verification of income and prior childcare experience and if a policy was authorized and documented.

4. We compared wages paid as identified on the ODHS 2910 Purchased Family Foster Care Cost Report(s) to wages paid as identified on the Placement Agency's quarterly 941s or W-3 report.

5. We traced potential questioned costs to the cost report.

ISSUE 5-1	PURCHASE OF SERVICE AGREEMENTS FOR FOSTER CARE AND PLACEMENT SERVICES

Results:

The Ohio Administrative Code requires public children services agencies to enter into purchase of service agreements with providers of purchased family foster care. The agreement must specify that foster care maintenance, administrative case management, and case planning and related administrative activities are being purchased.[39] In addition, sound business practices and public policy dictate that contracts between parties stipulate issues of fiscal accountability, compliance, and record retention.

St. Joseph Treatment Center did not enter into a purchase of service agreement with MCCSA. Individual childcare agreements for each child were executed.

The lack of an effective system of contracting and contract monitoring impairs the PCSA's ability to manage costs and increases the risk that requested services may not be provided or that improper amounts may be billed.

Management Comment:

ODJFS should establish, through rule, a standard contracting requirement for all PCSA's using the services of private agencies that effectively sets forth all applicable compliance requirements, fiscal accountability standards, and allowable costs.[40]

On September 7, 2000, St. Joseph entered into a master contract with Montgomery County.

ISSUE 5-2	SUFFICIENT INCOME REQUIREMENTS TO MEET THE BASIC NEEDS

Results:

Ohio Admin. Code Section 5101:2-5-20 (C)(1) provides: "An agency shall not accept an application for a family foster home certificate and approval for adoptive placement which does not contain complete and accurate information." The Placement Agency must take steps to assure the completeness and accuracy of information on the application.

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[39] Ohio Admin. Code Section 5101:2-33-18(A)

[40] In Ohio Admin. Code Section 5101:2-47-23.1, Title IV-E Agency Contracting and Contract Monitoring Requirements, effective 12-01-01, ODJFS has sets forth the requirements that a PCSA must establish a system of contracts and contract monitoring when purchasing foster care services.

In addition, Ohio Admin. Code 5101:2-7-02 (D) provides: "A foster caregiver shall have income sufficient to meet the basic needs of the household and to make timely payment of shelter costs, utility bills and other debts."

Our Review found that St. Joseph did not document, in the family foster home folders, the steps taken to ensure the information on the family foster home application submitted was complete and accurate, nor did St. Joseph document the applicant's income was sufficient to meet the basic needs of the household in one out of the ten foster home files reviewed. In addition, foster parent income and employment was not documented in the family foster home folders as verified in five out of ten family foster home applications files reviewed.

Failure to verify the completeness and accuracy of information on the Family Foster Home Application increases the risk that unsuitable applicants may be recommended and approved. In addition ODHS had not established guidelines and standards for Placement Agencies to document their compliance with this requirement.

Management Comment:

We recommend that ODHS establish guidelines and standards for Placement Agencies to document their compliance with the administrative rules governing the licensing of family foster homes.

ISSUE 5-3	INITIATION OF THE HOMESTUDY PRIOR TO THE RECEIPT OF A COMPLETED APPLICATION

Results:

Ohio Admin. Code Section 5101:2-5-20 (C) provides: "An agency shall use ODHS 1691 for all initial family foster home applications and for the simultaneous approval of an applicant for adoptive placement.

- An agency shall not accept an application for a family foster home certificate and approval for adoptive placement which does not contain complete and accurate information.
- An agency shall require that an application be made in the full name of each adult member of a couple, a single person, or each co-parent.
- An agency shall not accept more than one application per household.
- An agency shall not begin a family foster home homestudy prior to the receipt of a completed ODHS 1691."

The criminal record check is a required part of the homestudy process, which should not be started until the completion of an ODHS 1691, the application for a family foster home certificate.

- One out of ten foster home files reviewed revealed the agency accepted and approved for certification a foster parent whose application was not complete.
- One out of ten foster home files reviewed revealed the agency accepted two separate applications from co-parents.
- One out of ten foster home files reviewed revealed the application of co-parents were not made in the full name of each co-parent.
- Three out of ten of the foster home files reviewed documented that the Bureau of Criminal Identification (BCII) and the Federal Bureau of Investigation (FBI) checks were requested prior to the completion of an application for certification as a family foster home.

Management Comment:

St. Joseph should comply with ODJFS rules intended to ensure a thorough and complete foster home homestudy is completed prior to licensing. We further recommend that the ODJFS licensing specialists follow up on this issue and take steps to ensure continuous compliance.

ISSUE 5-4	**BCII CHECKS THROUGH FBI FOR FOSTER PARENTS PROOF OF RESIDENCY**

Results:

Ohio Administrative Code 5101:2-5-20(C)(6) states: "An agency shall not approve a prospective foster care giver on a conditional basis awaiting the results of the criminal records check required by paragraph (L) of rule 5101:2-07–02 of the Administrative Code. The required criminal records check must be completed prior to the agency recommending a prospective foster care giver for certification.

Ohio Admin. Code Section 5101:2-5-091(I) states: "The agency shall request that the Bureau of Criminal Identification and Investigation (BCII) obtain information from the Federal Bureau of Investigation (FBI) as a part of the criminal records check for the person if 1) The person does not present proof of residency in Ohio for the five-year period immediately prior to the date upon which the criminal records check is requested; or 2) The person [seeking certification as a foster caregiver] does not provide evidence that within that five-year period, BCII has requested information about the person from the FBI in a criminal records check."

One out of ten of the foster home files tested did not contain any documentation of evidence that the PNA determined whether the foster parents they recommended for licensing had resided in Ohio for the five-year period immediately prior to the date of the application to become a foster parent. We determined that St. Joseph did not perform and document procedures to ensure documentation of proof of residency or previous criminal records check was on file, and did not obtain an FBI check when such documentation was not provided.

By not assuring that criminal record checks are performed for persons seeking certification as foster caregivers or for other adult members of the caregiver's household increases the risk that individuals with criminal histories, which would make them unsuitable as foster caregivers, could be certified and have children placed in their homes.

Management Comment:

We recommend that St. Joseph request and retain documentation of proof of residency in the State of Ohio to determine whether FBI criminal records checks are required. We also recommend that ODJFS establish guidelines and standards for Placement Agencies to document their compliance with the administrative rules governing criminal records checks.

ISSUE 5-5	**CHILD PLACEMENT LOGS**

Results:

Ohio Administrative Code 5101:2-5-29(C) states that "An agency shall maintain in each family foster home record a log of all children placed in the family foster home. The log shall contain, at a minimum:

1) The name of the foster child;
2) The child's date of birth;

3) The date of placement in the family foster home;
4) The date of discharge/removal from the family foster home; and
5) The new location of the child."

Four out of ten foster home files reviewed revealed, after the child was removed from the foster home, the agency did not document the new location of the child as required. It was further noted that two separate sets of foster parents received six monthly payments for the same child. This resulted in an overpayment in the amount of $4,544, see issue 3-4 .

Failure to properly document the new location of the child could result in inaccurate information such as:

- the dates the child was in the home,
- duplicate payments,
- the number times the child was placed in a particular home, and
- could affect agency tracking system.

Management Comments:

St. Joseph should establish procedures that ensure that child placement logs are updated with information as in accordance with Ohio Admin. Code 5101:2-5-29(C). We further recommend that the ODJFS licensing specialists follow up on this issue and take steps to ensure continuous compliance.

The agency staff began to use a quarterly peer review in September of 1999. The agency is using a check list provided by ODJFS licensing specialists to ensure the accuracy of their family foster files.

ISSUE 5-6	**CHANGE OF ADDRESS**

Results:

Ohio Admin. Code Section 5101:2-5-30(A) states: "Upon notification of any change in household occupancy of a family foster home, change in marital status, or change in address, the recommending agency shall evaluate the change within thirty days of the agency's receipt of notification to determine if the foster caregiver is capable of providing continued care for foster children, to determine that new household occupants meet any applicable requirements of Chapter 5101:2-5 or Chapter 5101:2-7 of the Administrative Code, or to determine if the new site of the family foster home meets all of the requirements of Chapter 5101:2-7 of the Administrative Code."

An agency shall submit an ODHS 1317 "Recommendation for Certification/Recertification of a Family Foster Home" to ODHS to recommend any change which would cause a change on the face of the certificate. Such recommendation shall be made within thirty calendar days of the agency's receipt of notification.[41]

One out of five foster home files reviewed revealed the agency did not submit the required ODHS 1317 after a foster family changed addresses.

Failure to accurately reflect changes in the addresses of the family foster home could result in errors in shipments of checks, and duplicate licensing for the same location.

[41] Ohio Admin. Code Section 5101:2-5-30(C)

Management Comment:

The St. Joseph should develop policies and procedures to assure the agency is notified of a change of address, occupancy, martial status and any other changes within the household in a timely manner, and that this information is documented in the foster caregiver case file, evaluated and submitted to ODHS within the required timeframe. We further recommend that the agency establish a system of monitoring controls to ensure continuous compliance.

The agency staff began to use a quarterly peer review in September of 1999. The agency is using a check list provided by ODJFS licensing specialists to ensure the accuracy of their family foster files.

ISSUE 5-7	TRAINING REQUIREMENTS

Results:

During the Period, Ohio Admin. Code Section 5101:2-5-33(B)(2) required that PNAs provide "not less than twelve hours of ongoing annual training" to foster care providers.[42]

Two out of ten foster family homes files reviewed revealed that the ongoing training requirement was not met.

The rules were established to ensure that only eligible persons obtain and maintain licenses to keep foster children. Failure to abide by training requirements renders the foster parent ineligible to keep foster children.

Failure to ensure that foster care providers obtain the required training hours increases the risk that the agency will license foster caregivers who have not maintained the minimum eligibility requirements to be foster parents.

Management Comment:

St. Joseph should adopt policies and procedures which would enable the agency to:

- track the ongoing training requirements of the foster parents in a timely manner,
- impose remedies for noncompliance, and
- monitor controls in place.

This would ensure compliance with Ohio Admin. Code Section 5101:2-5-33(B)(2).

As of January 2000 a checklist was added to all foster parent files along with addition control procedures to ensure that this does not occur again.

ISSUE 5-8	TITLE IV-E COST REPORT

Results:

$34,899 detailed as a federal questioned cost in Issue 1-1, 1-2, and 3-1 of this report, was charged against the foster care program, and/or reported as allowable costs on the 1998 ODHS 2910 Purchased Family Foster Care Cost Report.

[42] This rule was amended effective 9-1-00 to require 24 hours of ongoing training during each certification period.

ODJFS should determine the amount of over reporting by St. Joseph and recompute the Title IV-E per diem reimbursement rate that should have been paid to St. Joseph during the Period and reimburse HHS, ODJFS, or the PCSA for any over reimbursement resulting from the overstated costs.[43] Failure to properly classify program costs could result in federal questioned costs and have an adverse effect on the Title IV-E rate setting process.

The 1998 audited financial statements were submitted along with the 1998 cost reports. ODJFS' inadequacy to implement comprehensive desk reviews and field audits resulted in an unacceptable level of risk that ineligible costs could be reported and the Title IV-E reimbursement overstated.

Management Comment:

Based on prior reports ODJFS has taken corrective action to implement comprehensive desk reviews[44] of all cost reports.[45] Controls could be further enhanced by conducting field audits selected on a sample basis using a risked-based approach.

ISSUE 6	TEST OF MEDICAID BILLINGS

Objective:

To determine if Medicaid billings at St. Joseph were properly billed to the program.

Procedures Performed:

1. We determined if billings were submitted in the correct manner to the Medicaid program by analyzing a sample of payments in ODJFS's Medicaid Management Information System (MMIS) for calendar year 1998.

2. We determined if St. Joseph received Medicaid reimbursement in compliance with Ohio Admin. Code Sections 5101:3-4-02, 5101:3-4-29(D) and 5101:3-4-29(G).

Results:

During the test of Medicaid billings we found that: Medicaid billings had adequate supporting documentation; procedures codes used for billing were correct; Medicaid reimbursements were paid to the employing or contracting physician or clinic. We found no exceptions during our review of compliance with applicable laws and regulations.

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43 Pursuant to Ohio Admin. Code Section 5101:2-47-01(L). Prior to 5/1/98, these provisions were recited in Ohio Admin. Code Sections 5101:2-47-03(H).

44 In July 2000 ODJFS implemented a Comprehensive Desk Review process which examines costs reported on the cost report to determine whether the costs are: (1) allowable and presented fairly in accordance with department rules, (2) reasonable, (3) related to foster care and, (4) appropriately classified.

45 In June 2000 ODJFS conducted cost report training for providers and implemented Comprehensive Cost Reporting Requirements which requires the provider to submit new information with the cost report, such as related party schedules, Internal Revenue Service (IRS) Form 990, W-2s for reported salaries, foster parent payment listing, and census logs.

ISSUE 7	TEST OF MEDICAID SERVICES

Objective:

To ascertain if there was proper documentation of the monitoring of the Medicaid counseling.

Procedures Performed:

1. We determined if St. Joseph performed the required monitoring in compliance with Ohio Admin. Code Section 5101:3-4-02.

2. We determined if services were being performed on the dates billed for by St. Joseph.

3. We determined if qualified personnel were providing the required service.

4. We determined if the required Medicaid reports were being signed by the required individual.

Results:

We found that Medicaid reimbursed services were: provided by eligible providers or services provided by non-physicians were under the direct or general supervision of a physician; and services billed and reported were adequately documented.

ST. JOSEPH TREATMENT CENTER
SUPPLEMENT TO REPORT ON AGREED-UPON PROCEDURES

SUMMARY OF FEDERAL QUESTIONED COSTS

JANUARY 1, 1998 - DECEMBER 31, 1998

QUESTIONED COSTS	ISSUE NUMBER	PAGE NUMBER	AMOUNT
Undocumented and Unallowed Expenditures	1-1	11	$24,258
Unallowed Costs	1-1	11	1,332
Non-Sufficient Check Fees	1-2	16	4,765
ODJFS Systemic Overpayment of Title IV-E Maintenance[46]	3-1	18	66,417
Duplicate Payment	3-4	21	$4,544
TOTAL FEDERAL QUESTIONED COST			$101,316

46 This Federal Questioned Cost resulted from the overstatement by ODJFS of maintenance claimed by county agencies,.

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JIM PETRO, AUDITOR OF STATE

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ST. JOSEPH TREATMENT CENTER

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 15, 2002