



Dave Yost • Auditor of State

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INDEPENDENT ACCOUNTANTS' REPORT

Honorable Ramona Rogers
Ashland County Prosecutor
110 Cottage Street
Ashland, Ohio 44805

Dr. Daniel Daugherty, M.D., Health Commissioner
Ashland County - City Health Department
1763 State Route 60
Ashland, Ohio 44805

We conducted a special audit of the Ashland County - City Health Department (the Health Department) by performing the procedures enumerated in the attached Supplement to the Special Audit Report for the period October 1, 2006 through December 31, 2011 (the Period), solely to determine if certain nursing receipt collections were paid into Ashland County (the County) intact.

This engagement was conducted in accordance with the Quality Standards for Inspection and Evaluation established by the Council of the Inspectors General on Integrity and Efficiency (January 2012). The procedures and associated findings are detailed in the attached Supplement to the Special Audit Report. A summary of our procedures and significant results is as follows:

1. We obtained balance sheets, vaccination records, flu clinic documents, receipt journals and County pay-ins and compared the various records to determine if all money collected by the nursing department was receipted into the Health Department Information System and paid into the County intact.

Significant Results – We determined that \$89,061 received by the nursing department was not receipted into the Health Department Information System or paid into the County. Former Administrative Assistant Heather Drotleff was responsible for recording receipts into the Health Department Information System as well as making deposits with the County.

We issued a finding for recovery against Heather Drotleff totaling \$89,061.

We also issued one citation regarding timely deposits and two management recommendations regarding document retention and flu clinic procedures.

2. On November 28, 2012, we held an exit conference with the following individuals representing the Board of Health:

Daniel Daugherty, M.D., Health Commissioner
Al Sanders, Administrator
Bruce VanScoy, Board Member

The attendees were informed that they had five business days to respond to this special audit report. A response was received on December 7, 2012. The response was evaluated and no changes were deemed necessary to this report.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

May 30, 2012

Supplement to the Special Audit Report

Background

On February 9, 2012, Ashland County Prosecutor Ramona Rogers advised the Auditor of State's Office regarding an ongoing criminal investigation of Heather Drotleff, an employee at the Health Department.

The Health Department routinely held flu clinics and provided immunizations and other services at various locations throughout Ashland County. Nurses maintained tally sheets and vaccination records documenting services provided and amounts paid by cash or check. After a specific immunization administered in December 2011, a customer called the Health Department to inquire about their payment and request a receipt. Upon investigation, a Health Department nurse discovered this particular immunization had not been recorded in Ms. Drotleff's computer.

The Health Department nurses notified the Health Department administrator of the missing immunization payment. The administrator then notified the Ashland County Sheriff's Office and the Ashland County Prosecutor. An investigation was initiated by the sheriff and prosecutor. A Health Department internal investigation discovered alleged missing receipts of nearly \$90,000.

Between February 9, 2012 and March 12, 2012, Prosecutor Rogers continued her investigation with the sheriff's office. On March 13, 2012, Ms. Rogers requested a special audit be conducted by the Auditor of State.

This information was presented to the Auditor of State's Special Audit Task Force and the Auditor of State initiated a special audit on March 14, 2012.

Supplement to the Special Audit Report

Objective No. 1 - Nursing Receipts

PROCEDURES

We obtained daily Nursing Balance Sheets, Vaccination Administration Record Sheets, Pay-In Receipt Reports and County Pay-Ins for the Health Department during the Period.

We compared nursing receipts per the daily Nursing Balance Sheets with nursing receipt collections posted and paid in by former Administrative Assistant Heather Drotleff to determine whether nursing receipts were posted and paid into the County intact.

Additionally, we compared flu clinic receipts per the Vaccine Administration Records with flu clinic receipt collections posted and paid into the County to determine whether flu clinic receipts were posted and paid into the County intact.

For Hepatitis B billings, we reviewed Health Department collection records to determine the amount of Hepatitis B billings collected and not posted or paid into the County.

RESULTS

For the Period, we reviewed 766 daily Nursing Balance Sheets, 10,640 Vaccination Administration Record Sheets, 6 Annual Pay-In Receipt Reports and 323 County Pay-Ins along with billed Hepatitis B collection records for approximately 470 individuals. This review disclosed \$89,061 received by the nursing department but not receipted into the Health Department Information System or paid into the County. Former Administrative Assistant Heather Drotleff was responsible for recording receipts into the Health Department Information System as well as making deposits with the County.

FINDING FOR RECOVERY

Finding for Recovery – Heather Drotleff

During the Period, Health Department records disclosed collections in the nursing department for the administration of vaccines totaling \$89,061 for which no corresponding receipts were recorded or deposits made with the County. Former Administrative Assistant, Heather Drotleff was responsible for posting such receipts to the accounting system, maintaining supporting accounting records, preparing County pay-ins, and making deposits with the County. Documents maintained by the Health Department indicate that monies received by the Health Department and turned over to Heather Drotleff did not match the amounts deposited with the County. Over the Period, there was a shortage of \$89,061 between amounts collected and deposited.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money collected but unaccounted for is hereby issued against Heather Drotleff in the amount of \$89,061 and in favor of the Health Department.

Supplement to the Special Audit Report

NONCOMPLIANCE CITATION

Timely Deposits

Ohio Rev. Code Section 9.38 states in part, "...if the total amount of the public moneys so received does not exceed one thousand dollars, the person shall deposit the moneys on the business day next following the day of receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited."

The Health Department did not adopt a policy regarding the length of time funds can be held prior to being deposited. Former Administrative Assistant Heather Drotleff deposited Health Department receipts with the County on a weekly basis. Due to this lack of timely deposits, Heather Drotleff was able to substitute checks in place of cash payments and allowed for certain receipts collected by the Health Department to never be deposited into the County.

Additionally, the Health Department received money related to Hepatitis B vaccinations and this money was not recorded within the Health Department's accounting system nor was the money deposited with the County. Instead, the money was maintained by the former administrative assistant and allegedly used as a petty cash fund and for other miscellaneous expenditures of the Health Department. However, no documentation was maintained to support the expenditure of this money for allowable Health Department operations or to account for any money received into or expended out of such a fund.

We recommend the Health Department implement a timely deposit policy which includes depositing all money received for Health Department services. The Administrator should monitor the Health Department activity to ensure all money received is deposited timely and in accordance with this policy. All such deposits should agree to relevant supporting documentation maintained at the Health Department, and any variances between the deposits, receipts posted to the accounting system, or supporting documentation should be appropriately identified and reviewed.

MANAGEMENT RECOMMENDATIONS

Document Retention

Daily Nursing Balance Sheet forms completed by the nursing department were not maintained by the former administrative assistant to support receipts entered into the Health Department Information System. Additionally, the Health Department did not have a record retention policy in place addressing maintenance and retention of such records. However, in most cases this supporting documentation was obtained from documents separately maintained by other Health Department employees.

Failure to adequately control and maintain documents could result in the inability of the Health Department to review prior transactions for accuracy. This also limits the ability to ensure proper accountability over nursing receipts and subsequent deposits.

We recommend the Health Department institute a record retention policy to maintain supporting documents until properly reviewed and subjected to audit, at a minimum. The Health Department should also ensure appropriate supervisory approvals are received and documented prior to disposal of such records.

Supplement to the Special Audit Report

Flu Clinic Procedures

The Health Department held one day flu clinics on various days throughout the Period. During these one day clinics, cash and checks were collected; however, there were no procedures in place to verify the number of shots administered, document the amount of money collected, and reconcile the amount collected to the number of shots administered.

Failure to adequately document and reconcile the money collected during the flu clinics increased the risk for Health Department funds to be misappropriated and not be detected in a timely manner. This also limited the ability to ensure proper accountability over flu clinic collections.

We recommend the Health Department implement reconciliation procedures at the end of each flu clinic which should include a form to summarize the results of the clinic. The form should include the names of all individuals administering shots and receiving money, the number of shots administered, the amount of money collected as well as the form of payment (i.e., cash or check). There should be more than one person involved in the reconciliation process and these individuals should ensure the amount collected agrees with the number of shots administered. Any exceptions should be documented and all money collected should be deposited in a timely manner.



Dave Yost • Auditor of State

ASHLAND COUNTY CITY HEALTH DEPARTMENT

ASHLAND 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
DECEMBER 20, 2012