REPORT ON THE
LIMITED REVIEW

SHASTA COUNTY
PUBLIC HEALTH DEPARTMENT
REDDING, CALIFORNIA

MATERNAL, CHILD AND ADOLESCENT HEALTH
PROGRAM - AGREEMENT NO. 200845

FISCAL YEAR ENDED JUNE 30, 2009

Audits Section - Sacramento
Financial Audits Branch
Audits and Investigations
Department of Health Care Services

Section Chief: Steven Gary
Audit Supervisor: Jeff Sandman
Auditor: Bill Potts

State of California—Health and Human Services Agency
Department of Health Care Services

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DIRECTOR

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GOVERNOR

FEB 17, 2011

Donnell Evert
Director of Public Health, County of Shasta
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Redding, CA 96001

The expenditure claims for services provided by the Shasta County Public Health Department under the Maternal, Child and Adolescent Health Program, Agreement No. 200845, for the fiscal year ended June 30, 2009, have been reviewed by the Financial Audits Branch of the California Department of Health Care Services. In addition, a limited review was made of the program's management and operational procedures.

Except as set forth in the following paragraph, our review was made in accordance with generally accepted government auditing standards as promulgated by the Comptroller General of the United States. Accordingly, our review included such tests of the accounting records and other review procedures as we considered necessary under the circumstances.

The financial statements of the County of Shasta for the year ended June 30, 2009, were examined by other auditors. Their audit report dated December 14, 2009, expressed an unqualified opinion on those statements.

The scope of our review was limited to specific contract or program requirements relating to financial compliance and did not include sufficient work to determine whether financial statements present fairly the financial position and the results of the financial operations. We have not duplicated the work performed by the other auditors.

As noted in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial position referred above. Consequently, no financial statements are presented.

This Audit Report includes:
1. Executive Summary of Findings
2. Introduction
3. Scope of Review
4. Program Compliance
5. Fiscal Findings
6. Financial Schedules

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The report concludes that no additional amount is due the State or the Provider.
If you have any questions please contact Stephen Fong, Contract Manager, at (916) 650-0352.

(Original signed by)

Steven Gary, Chief
Audits Section – Sacramento
Financial Audits Branch

Certified

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Maternal, Child and Adolescent Health Program
Agreement No. 200845
Fiscal Year Ended June 30, 2009

I. EXECUTIVE SUMMARY OF FINDINGS

The following information is a summary of our findings/observations:

1. No additional amount is due to the State or the Provider (See Fiscal Findings, Section V).

2. Progress and accomplishments in meeting stated program goals/objectives are described in the Annual Report for the program; our review of program records indicated that annual report documentation was on file (See Program Compliance Section IV).

3. Time studies were performed as a basis for quarterly invoicing of staff costs by program and funding source, as prescribed by Federal Financial Participation guidelines (See Fiscal Findings, Section V).

II. INTRODUCTION

A. DESCRIPTION OF PROGRAM

The Maternal, Child and Adolescent Health (MCAH) Program, established on the state level in 1973, is funded by a Federal Title V Block Grant as well as by Federal Medicaid funds (Title XIX), the state General Fund and provider matching funds. The mission of the MCAH Division is to assure that infants, children, adolescents, and pregnant women in California receive a variety of services to protect and improve their health. To accomplish its goals, the Division maintains partnerships and agreements with state, federal, and local agencies in the public and private sectors.

B. DESCRIPTION OF AGENCY

The Public Health Department (SHASTA), an organization of the County of Shasta , is dedicated, in part, to implementing MCAH programs to assess, plan, evaluate, and improve access to comprehensive MCAH services for women, children and adolescents.

C. SITE LOCATION

SHASTA's offices are located at 2650 Breslauer Way in Redding.

D. FUNDING SOURCE

The County of Shasta is primarily funded by grants/contributions and taxes.

E. PROGRAM GOALS

The goals of the program for women, children and adolescents for the agreement period are as follows:

I. Maternal, Child and Adolescent Health Program:

Goal 1. All children born healthy to healthy mothers.

Goal 2. No health status disparities among racial/ethnic, gender, economic and regional groups.

Goal 3. A safe and healthy environment for women, children and their families.

Goal 4. Equal access for all women, children and their families to appropriate and needed care within an integrated and seamless system.

III. SCOPE OF REVIEW

The Financial Audit Section's review consisted of two parts:

1. A review of the financial records to ensure the existence of proper documentation and propriety of claims submitted to the State for reimbursement for the fiscal year ended June 30, 2009.

2. A cursory review of compliance with agreement and regulatory program requirements.

IV. PROGRAM COMPLIANCE

The examination included a review to determine if SHASTA conducted the program in compliance with Maternal, Child and Adolescent Health Program terms and applicable regulatory requirements. The following is a summary of findings/observations relating to this portion of the audit.

A. PROGRAM REQUIREMENTS

SHASTA submitted the required Annual Report for the fiscal year, to describe the program's progress/accomplishments relative to the program goals listed in the Introduction, Section II, of this audit report.

B. PROGRAM OBJECTIVES

The Annual Report for fiscal year 2008-09 described progress and accomplishments concerning program goals/objectives stated for the program. The annual report was received and approved by State MCAH program staff.

Our review of provider records indicated that annual report supporting documentation was on file.

Further, based on our review nothing came to our attention to indicate that SHASTA has not complied with the material terms and conditions of the program.

V. FISCAL FINDINGS

The following discusses the fiscal findings/observations of the Audits and Investigations' review of SHASTA. The line item expense amounts are included in Schedule A of this report.

Expenditures - Reimbursed

There are no variances between paid and audited amounts.

Total expenditures were budgeted at $329,013. Expenditures totaling $256,318 were paid/reimbursed by the State to SHASTA. Audited expenditures are $256,318; no additional amount is due to either party (See Schedule A).

Time Studies

Time studies were performed as a basis for quarterly invoicing of staff time/costs by program and funding components, as prescribed by Federal Financial Participation (FFP) guidelines.

Our testing of quarterly invoice charges to the Time Study Calculations Reports and payroll records, showed support for the cost distributions to the invoice funding categories of Unmatched Funding (Title V, State, provider) and Non-Enhanced/Enhanced Matching (Title XIX, State, provider).

Also, we reviewed for completeness the time study documents which detail staff time/costs by Programs and FFP Function Codes.

VI. SYSTEMS AND PROCEDURES

The management of SHASTA is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance the assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future fiscal periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

We have not made a study and evaluation of the provider's system of internal accounting controls due to the limited scope detailed in Section III of this report. As a result, our grant expenditure review placed no reliance on the internal control system. The review was performed by expanding substantive tests to ensure the fair presentation of program costs.

VII. SCHEDULES

A schedule of financial data has been included in this report to summarize the amounts claimed/paid under the agreement. No adjustments have been proposed to the paid/reimbursed amounts.

SCHEDULE A

Shasta County Public Health Department
Maternal, Child and Adolescent Health Program
Agreement No. 200845
Fiscal Year Ended June 30, 2009

Summary of Audited Program Expenditures

PROGRAM: MCAH

(1)	(2)	(3)	(4)	(5)
Budgeted Categories	Contract Amount	Amount Paid	Audited Expense	Amount Due State
				(3 – 4)
Personnel Expenses	$ 241,340	$ 186,412	$ 186,412	$ -0-
Operating Expenses	33,725	27,014	27,014	-0-
Other Costs	38,628	30,863	30,863	-0-
Indirect Expenses	15,320	12,029	12,029	-0-
Total Expenditures	$ 329,013	$ 256,318	$ 256,318	$ -0-