

**REPORT ON THE
LIMITED REVIEW**

**SAN JOAQUIN COUNTY PUBLIC HEALTH SERVICES
STOCKTON, CALIFORNIA**

**MATERNAL, CHILD AND ADOLESCENT
HEALTH PROGRAMS
AGREEMENT NO. 200839
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



EDMUND G. BROWN JR.
GOVERNOR

August 23, 2011

William Mitchell, Director
San Joaquin County Public Health Services
1601 E. Hazelton Avenue
Stockton, CA 95205

The expenditure claims for services provided by the San Joaquin County Public Health Services under the Maternal, Child and Adolescent Health Program, Agreement No. 200839, 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 San Joaquin for the year ended June 30, 2009, were examined by other auditors. Their audit report dated March 31, 2010, 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

William Mitchell, Director
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The report concludes that no additional amount is due the County or the State.

If you have any questions please contact Dale Price, Contract Manager, at (916) 650-0340.

Original Signed By

Steven Gary, Chief
Audits Section – Sacramento
Financial Audits Branch

Certified

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Maternal, Child and Adolescent Health Programs
Agreement No. 200839
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 Provider or the State (See Fiscal Findings, Section V).
2. Progress and achievements in meeting stated program goals/objectives are described in the Annual Reports for the programs; these reports were reviewed/approved by State program staff (See Program Compliance, Section IV).
3. Time studies were performed quarterly as a basis for invoicing staff time by program and funding source, as prescribed by Federal Financial Participation guidelines (See Fiscal Findings, Section V).

Maternal, Child and Adolescent Health Programs
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II. INTRODUCTION

A. DESCRIPTION OF PROGRAM

Maternal, Child and Adolescent Health (MCAH) Programs, established on the state level in 1973, are funded by a Federal Title V Block Grant as well as by Federal Medicaid funds (Title XIX), the state General Fund, and provider funds. The mission of the MCAH/Office of Family Planning 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

San Joaquin County Public Health Services (COUNTY), an organization of the County of San Joaquin, is dedicated, in part, to implementing MCAH Programs to assess, plan, evaluate and improve access to comprehensive MCAH services for infants, women, children and adolescents.

C. SITE LOCATION

COUNTY'S offices are located at 1601 E. Hazelton Ave. in Stockton.

D. FUNDING SOURCES

The County of San Joaquin is primarily funded by taxes, grants, and service fees.

E. PROGRAM GOALS

The goals under the programs for infants, women, children and adolescents for the funding period are as follows:

I. Maternal, Child and Adolescent Health Program (MCAH)

Goal 1. All children are 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.

II. INTRODUCTION

E. PROGRAM GOALS

II. Adolescent Family Life Program (AFLP)

- Goal 1. Define, coordinate, and integrate systems of care that support and assist pregnant and parenting adolescents and their children.
- Goal 2. Enhance health, educational achievement, economic, personal and societal integration and independence of pregnant and parenting adolescents through case management.
- Goal 3. Promote implementation of the State MCH 5-Year Plan and attainment of its goals and objectives as specified in the California MCAH Priorities.

III. Black Infant Health Program (BIH)

- Goal 1. Improve access and follow-up preconception, interconception and infant health care and socioeconomic services to African-American pregnant and parenting women and infants.
- Goal 2. Reduce African-American infant mortality rate.
- Goal 3. Increase the percentage of African-American women obtaining prenatal care in the first trimester.
- Goal 4. Reduce the percentage of African-American infants born with low birth weights below 2,500 grams.
- Goal 5. Reduce the percentage of pregnant and parenting African-American women who smoke, use alcohol and/or nonprescription drugs.
- Goal 6. Reduce the percentage of African-American babies who die due to Sudden Infant Death Syndrome (SIDS).
- Goal 7. Reduce African-American maternal mortality rate.

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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 the 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 COUNTY conducted the Programs in compliance with Maternal, Child and Adolescent Health Programs' terms and applicable regulatory requirements. The following is a summary of findings/observations relating to this portion of the audit.

A. PROGRAM REQUIREMENTS

COUNTY submitted the required Annual Reports for MCAH, AFLP, and BIH for the fiscal year to describe the programs' progress/accomplishments relative to the program goals listed in the Introduction, Section II, of this audit report.

B. PROGRAM OBJECTIVES

The Annual Reports for fiscal year 2008-09 described progress and achievements concerning Program goals/objectives stated for the programs. The annual reports were received and approved by State MCAH program staff.

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

V. FISCAL FINDINGS

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

Reimbursed Expenditures

There are no variances between paid and audited amounts.

Budgeted expenditures were \$1,074,457 for MCAH, \$647,631 for AFLP, and \$644,411 for BIH.

Paid/Reimbursed expenditures totaled \$999,742 for MCAH, \$643,215 for AFLP, and \$598,002 for BIH. The audited expenditures are the same as the paid expenditures (See Schedule A).

Time Studies

Time studies were performed quarterly as the basis for invoicing staff time by Program and funding components, as prescribed by Federal Financial Participation (FFP) guidelines.

Our testing of quarterly invoices to the Distribution of Staff Time, contained in the Time-Study Data Reports for Summary of FFP, showed support for the Program percentage distributions to the invoice funding categories of Unmatched Funding (Title V, State General Fund, Provider) and Non-Enhanced/Enhanced Matching (Title XIX, State General Fund, Provider).

Also, we reviewed for completeness quarterly time-study documents which detail staff hours by Programs and FFP Function Codes.

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VI. SYSTEMS AND PROCEDURES

The management of COUNTY 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 Limited Contract 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.

Agreement No. 200839
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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 amounts.

San Joaquin County Public Health Services
 Maternal, Child and Adolescent Health Programs
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 Fiscal Year Ended June 30, 2009

Summary of Audited Program Expenditures

MATERNAL, CHILD AND ADOLESCENT HEALTH PROGRAM

(1)	(2)	(3)	(4)	(5)
Budgeted Categories	Contract Amount	Amount Paid	Audited Expense	Amount Due State
				(3 – 4)
Personnel	\$ 851,552	\$ 802,486	\$ 802,486	\$ -0-
Operating Expenses	52,384	50,025	50,025	-0-
Other Costs	56,936	40,924	40,924	-0-
Indirect Costs	113,585	106,307	106,307	-0-
Total Expenditures	<u>\$ 1,074,457</u>	<u>\$ 999,742</u>	<u>\$ 999,742</u>	<u>\$ -0-</u>

ADOLESCENT FAMILY LIFE PROGRAM

(1)	(2)	(3)	(4)	(5)
Budgeted Categories	Contract Amount	Amount Paid	Audited Expense	Amount Due State
				(3 – 4)
Personnel	\$ 546,988	\$ 545,312	\$ 545,312	\$ -0-
Operating Expenses	49,223	49,099	49,099	-0-
Other Costs	15,516	12,903	12,903	-0-
Indirect Costs	35,904	35,901	35,901	-0-
Total Expenditures	<u>\$ 647,631</u>	<u>\$ 643,215</u>	<u>\$ 643,215</u>	<u>\$ -0-</u>

San Joaquin County Public Health Services
 Maternal, Child and Adolescent Health Programs
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Summary of Audited Program Expenditures

BLACK INFANT HEALTH PROGRAM

(1)	(2)	(3)	(4)	(5)
Budgeted Categories	Contract Amount	Amount Paid	Audited Expense	Amount Due State
				(3 – 4)
Personnel	\$ 517,350	\$ 487,804	\$ 487,804	\$ -0-
Operating Expenses	73,555	58,257	58,257	-0-
Other Costs	18,648	18,510	18,510	-0-
Indirect Costs	34,858	33,431	33,431	-0-
Total Expenditures	<u>\$ 644,411</u>	<u>\$ 598,002</u>	<u>\$ 598,002</u>	<u>\$ -0-</u>