
**REPORT ON THE
LIMITED REVIEW**

**SIERRA COUNTY HEALTH DEPARTMENT
LOYALTON, CALIFORNIA**

**MATERNAL, CHILD AND ADOLESCENT
HEALTH PROGRAM
AGREEMENT NO. 200546
FISCAL YEAR: JULY 1, 2005 to JUNE 30, 2006**

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

**Section Chief: Evie Correa
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Director

State of California—Health and Human Services Agency
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APR 21 2009

Director
Sierra County Human Services
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The expenditure claims for services provided by Sierra County Health Department under the Maternal, Child and Adolescent Health Program, Agreement No. 200546, for the fiscal year July 1, 2005 to June 30, 2006, have been reviewed by the Financial Audits Branch of the 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 Sierra, for the year ended June 30, 2006, were examined by other auditors. The report dated November 15, 2006, 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. Program Compliance
3. Fiscal Findings
4. Financial Schedules

The report concludes that no amount is due the State or the Provider.

Director
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If you have any questions please contact Toni Ballenger, Contract Manager, at (916) 650-0351.



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Sierra County Health Department
Maternal, Child and Adolescent Health Program
Agreement No. 200546
Fiscal Year: July 1, 2005 to June 30, 2006

I. EXECUTIVE SUMMARY OF FINDINGS

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

1. No amount is due to the State or the Provider (See Fiscal Findings, Section V).
2. Achievements in meeting stated program goals/objectives are described in the Annual Report for the program (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).

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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), state General Fund and state Cigarette and Tobacco Products Surtax Fund. The mission of the MCAH Branch 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 Branch maintains partnerships and agreements with state, federal and local agencies in the public and private sectors.

B. DESCRIPTION OF AGENCY

Sierra County Health Department (SIERRA), an organization of the County of Sierra, 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

SIERRA'S offices are located at 202 Front Street in Loyalton.

D. FUNDING SOURCE

SIERRA is primarily funded by taxes, grants/contributions, and service fees.

E. PROGRAM GOALS AND OBJECTIVES

The goals/objectives under the program for women, children and adolescents for the entire agreement funding period of 7/1/04 to 6/30/07 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.

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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 propriety of claims submitted to the State for reimbursement for the agreement fiscal year from July 1, 2005 to June 30, 2006.
2. A cursory review of compliance with agreement and regulatory program requirements.

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IV. PROGRAM COMPLIANCE

The examination included a review to determine if SIERRA 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

SIERRA submitted the required Annual Report for the fiscal year.

B. PROGRAM OBJECTIVES

The Annual Report for fiscal year 2005-06 described progress and achievements concerning program goals/objectives stated for the program.

Review of records indicated that documentation was on file relative to the progress and achievements cited in the annual report.

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

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V. FISCAL FINDINGS

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

There are no variances between paid and audited amounts.

Total expenditures were budgeted at \$99,664. Expenditures totaling \$91,420 were invoiced/paid, and audited expenditures are \$91,420 (See Schedule A).

Time Studies

Time studies were performed quarterly, as a 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, General Fund) and Non-Enhanced Matching (Title XIX, General Fund).

Also, we reviewed for completeness the weekly time-study documents which detail staff hours by Programs and FFP Function Codes; however, we did not further verify the appropriateness of the individual FFP Function Codes used.

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VI. SYSTEMS AND PROCEDURES

The management of SIERRA 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.

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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.

SCHEDULE A

Sierra County Health Department
 Maternal, Child and Adolescent Health Program
 Agreement No. 200546
 Fiscal Year: July 1, 2005 to June 30, 2006

Summary of Audited Program Expenditures

(1)	(2)	(3)	(4)	(5)
<u>Budgeted Categories</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Audited Expense</u>	<u>Amount Due State</u>
				(3 - 4)
Personnel Expenses	\$ 53,671	\$ 51,896	\$ 51,896	\$ -0-
Operating Expenses	17,121	11,593	11,593	-0-
Other Costs	26,775	25,870	25,870	-0-
Indirect Expenses	2,097	2,061	2,061	-0-
Total Expenditures	<u>\$ 99,664</u>	<u>\$ 91,420</u>	<u>\$ 91,420</u>	<u>\$ -0-</u>