



**OHIO BOARD OF NURSING
FRANKLIN COUNTY**

SPECIAL AUDIT

**FOR THE PERIOD
JANUARY 1, 1999 THROUGH FEBRUARY 28, 2001**



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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**OHIO BOARD OF NURSING
FRANKLIN COUNTY**

**SCHEDULE OF APPOINTED BOARD MEMBERS AND RELEVANT PERSONNEL
As of February 28, 2001**

<u>Board Members</u>	<u>Term</u>
Tamara Baker	01/24/97-12/31/01
Judith Y. Brachman	01/01/99-12/31/03
Debra A. Broadnax	01/10/00-12/31/04
Bertha M. Lovelace	07/22/99-12/31/02
Richard S. Nowowiejski, II	01/10/00-12/31/04
Barbara F. Rolli	01/24/97-12/31/01
Randal R. Ruge	12/30/97-12/31/02
Pat Schlecht	01/22/96-12/31/00
Janet Marie Sekelsky	02/26/99-12/31/03
Barbara J. Stamp	01/23/97-12/31/01
Mary Kay Sturbois	01/07/99-12/31/03

Ohio Board of Nursing Officials

Dorothy Fiorino, Executive Director*

Susan Boone, Operations Manager**

Jan Lanier, Interim Executive Director

Eric Mays, Operations Manager

* Retired on May 31, 2001

** Retired on February 28, 2001

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REPORT OF INDEPENDENT ACCOUNTANTS

Ms. Jan Lanier, Interim Executive Director
Ohio Board of Nursing
17 S. High Street, Suite 400
Columbus, Ohio 43215-3413

Pursuant to your request, we have conducted a special audit by performing the procedures enumerated in the attached Supplement to the Special Audit for the period January 1, 1999 through February 28, 2001 (the Period), solely to:

- Determine whether computer equipment purchases utilizing the Ohio Board of Nursing's State Purchasing Number or vendor account number were initiated or authorized by Board of Nursing personnel.
- Determine whether payments to Otis Farneman, Computer Consultant, were made in accordance with contractual provisions.

This engagement was conducted in accordance with consulting standards established by the American Institute of Certified Public Accountants. The procedures and associated findings are detailed in the attached Supplement to the Special Audit. A summary of our procedures and findings is as follows:

1. We reviewed all recorded computer equipment purchases for the Period made using the Board of Nursing's State Purchasing Number or the Board of Nursing's open vendor accounts and verified whether purchases were initiated and/or authorized by the Board of Nursing or its personnel.

Significant Results: We identified 58 vendor invoices totaling \$25,693 which were processed using the Board of Nursing's account, of which the Board of Nursing did not pay or authorize. Information maintained by the Board of Nursing and received from the vendors did not identify who paid these invoices.

We issued a Noncompliance Citation for expenditures which lacked required supporting documentation and 5 Management Comments related to approving payment card expenditures, using purchase orders, receiving goods, recording fixed assets, and authorizing account users.

2. We reviewed all recorded payments to the Computer Consultant, Otis Farneman, and verified whether the payments were made in accordance with contractual provisions.

Significant Results: Mr. Farneman's contracts did not document specific projects or services to be received by the Ohio Board of Nursing. Accordingly, we were unable to determine if payments to Mr. Farneman were made in accordance with contractual provisions. The total of payments made to Mr. Farneman did not exceed authorized contract amounts.

We issued 2 Management Comments for the Board of Nursing to describe in its contracts the products and services to be provided, and to establish guidelines for its consultant's time records.

On May 17, 2002, we held an exit conference with the following individuals:

Judith Y. Brachman, Board Member
Yvonne Smith, Board Member
Mary Jean Flossie, Board Member
Diann Caudill, Board Member
Debra A. Broadnax, Board Member
Mary Kay Sturbois, Board Member
Randal R. Ruge, Board Member

Janet Marie Sekelsky, Board Member
Richard Nowowiejski, Board Member
Lisa Klenke, Board Member
Patricia Schlecht, Board Member
Kathleen Driscoll, Board Member
Bertha M. Lovelace, Board Member

John Brion, Executive Director
Jan Lanier, Associate Executive Director
Eric Mays, Operations Manager

Katherine Bochbrader, Assistant Attorney General

The attendees were informed that they had five business days to respond to this Special Audit Report. A response dated May 22, 2002 was reviewed, evaluated, and modifications were made to the report as we deemed appropriate.

This report is intended solely for the information and use of the Ohio Board of Nursing and is not intended to be and should not be used by anyone other than these specified parties. However, reports by the Auditor of State are a matter of public record and use by other components of state government or local government officials is not limited.



Jim Petro
Auditor of State

February 28, 2002

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

BACKGROUND INFORMATION

In 1997, the State of Ohio Department of Administrative Services entered into a State Term Contract with Cisco Systems, Inc., (Cisco) to provide computer services to any state agency, board, or commission. The State Term Contract provided that Cisco or one of its approved vendors could provide computer hardware supplies, computer software, computer maintenance services, training and consulting services. Otis Farneman, d.b.a. Midwest Net, Inc., was included as one of the approved vendors in a contract revision dated October 29, 1998. Midwest Net, Inc., was hired by the Ohio Board of Nursing (Board of Nursing) to maintain the network server, research and identify computer software and hardware to address the agency's needs, and to develop and maintain the Board of Nursing's web site. During the Period, Mr. Farneman continued to provide these services to the Board of Nursing as Midwest Net, Inc., Ktime, Ltd., (a business incorporated by Mr. Farneman), or PB Technologies, LLC, of which Mr. Farneman indicated he was a subcontractor.

In June 2001, Jan Lanier, Interim Executive Director of the Board of Nursing, was contacted by Attorney Stephen Smith, of the Schottenstein, Zox & Dunn law firm, who represented the Dublin City School District (the District). Attorney Smith explained that in October 2000, the District entered into a contract with Mr. Farneman for the purchase and installation of computer equipment. The contract provided the District would remit payment of \$18,317 in advance¹, and Mr. Farneman agreed to install the equipment when later contacted by the District.

In May 2001, when the District discovered it had not received the equipment, they contacted Mr. Farneman who subsequently delivered it. Upon receipt of the equipment, the District observed it did not appear to be in its original packing materials. In addition, there was no invoice, bill of lading or other documentation of receipt provided to the District. Attorney Smith indicated that District representatives reviewed the components of the equipment and noted the hard drive and server were dusty and may have been used. With the assistance of United Parcel Service, the District traced the shipping label to the vendor, CDW&G, who subsequently provided the District with an invoice and shipping documents which indicated the Board of Nursing had ordered and receipted the equipment from CDW&G in November 2000.

Ms. Lanier obtained copies of the CDW&G shipping documents from the District and matched them to the Board of Nursing's files which contained 2 invoices and a copy of a check dated December 28, 2000, from Ktime, Ltd. and issued to CDW&G for the combined amount of the invoices, \$7,846. Although Ms. Lanier knew the Board of Nursing had not paid these invoices, she reviewed their inventory listings and confirmed the equipment was not in their possession.

Upon further review of Board of Nursing documents, Ms. Lanier discovered that Susan Boone, former Operations Manager, had allowed Mr. Farneman to use the Board of Nursing's account to purchase merchandise to perform his contractual duties for the Board of Nursing, as well as for other clients. To do so, Mr. Farneman would request Ms. Boone order the necessary equipment. When the Board of Nursing received the applicable invoice, Mr. Farneman would be contacted and would provide Ms. Boone with a check issued from his business directly to the vendor for the cost of the equipment. Ms. Boone would include Mr. Farneman's check with any Board of Nursing checks and mail all the payments together.

¹The District's payment of \$18,317 was issued to Mr. Farneman on October 31, 2000.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

In June 2001, the Board of Nursing questioned Mr. Farneman about ordering and paying for equipment using the Board of Nursing's established vendor accounts. Mr. Farneman stated that Ms. Boone had authorized this method of obtaining equipment. He also indicated that it was his understanding this arrangement was approved by the Office of State Purchasing and the individual vendor(s); however, in an interview in December 2001, Steve Hunter, Purchasing Department Administrator, Ohio Department of Administrative Services, indicated that he was unaware of this arrangement.

Based on the above information, the Executive Board of the Ohio Board of Nursing directed their legal counsel, the Ohio Attorney General's Office, to request a special audit of the operations management of the Board of Nursing, the former Operations Manager, Susan Boone, and the current Computer Consultant, Otis Farneman.

This information was presented to the Auditor of State's Special Audit Committee and on October 2, 2001, the Committee voted to initiate a Special Audit of the Ohio Board of Nursing.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Issue No. 1 - Review of Technology Equipment Purchases

We reviewed all recorded computer equipment purchases for the Period made using the Board of Nursing's State Purchasing Number or the Board of Nursing's open vendor accounts and verified whether purchases were initiated and/or authorized by the Board of Nursing or its personnel.

Procedures

1. Using the Board of Nursing's voucher listing and payment card logs (which identified the vendor name, purchase date, and a brief description of the transaction), we reviewed all purchases for computer equipment and software during the Period and verified:
 - a. The purchase was approved.
 - b. The purchase was for a purpose related to the operations of the Board of Nursing.
 - c. The purchase was made in accordance with standard purchasing procedures.
2. We traced the equipment identified in Procedure No. 1 to the fixed asset listing maintained by the Board of Nursing to determine whether the assets purchased were located at the Board of Nursing.
3. We contacted the Board of Nursing's computer equipment vendors and requested copies of all invoices issued using the Board of Nursing's State Purchasing Number. We traced these invoices to the Board of Nursing's expenditure records to determine whether all of the purchases made using the State Purchasing Number were processed by the Board of Nursing.
4. For those invoices obtained from the vendors in Procedure No. 3 which were not processed by the Board of Nursing, we requested that Otis Farneman provide explanations for the purpose of the purchase, who benefitted from the purchase, and whether Mr. Farneman remitted payment for the purchase.

Results

1. There were 2 methods of processing expenditure transactions. Regular expenditures were processed through the issuance of a purchase order, receipt of an invoice, and approval of the payment. Alternatively, expenditures were made using a Visa payment card which worked similarly to a bank debit card. These expenditures were automatically posted to the Central Accounting System as transactions were incurred, thereby not requiring the issuance of purchase orders or the receipt of vendor invoices.

We identified 196 expenditures totaling \$167,427 for the purchase of hardware and/or software for the computer system. We discussed each expenditure with Eric Mays, Operations Manager, to verify each was related to Board of Nursing operations. Mr. Mays did not identify any exceptions.

Our review of the expenditures noted the following:

- There were 44 expenditures totaling \$72,620 where the individual purchase exceeded \$500; however, a purchase order was issued after the order was placed with the vendor. The Board of Nursing did not have a written policy regarding the use of purchase orders; however, it was communicated verbally to us that purchases exceeding \$500 required a purchase order. We will recommend the Board of Nursing establish a written policy on the use and timeliness of purchase orders.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

- ▶ There were 56 payment card expenditures totaling \$17,386 initiated and approved by Susan Boone, former Board of Nursing Operations Manager. We will recommend someone other than the initiator of a purchase be the one to approve it.
 - ▶ There were 6 payment card expenditures totaling \$1,257 in which supervisory approval was not documented until after the payment was issued. We will recommend the Board of Nursing's purchasing procedures require supervisory approval prior to payment of an expenditure.
 - ▶ There were 4 expenditures totaling \$405 in which detailed supporting documentation (i.e., an itemized credit card slip) was not provided and 3 expenditures totaling \$368 where documentation was maintained; however, the documentation did not contain a description of the items purchased. Office of Budget and Management's payment card manual requires all supporting documentation, including a description of the items purchased, be maintained for future audits. We will issue a noncompliance citation for violating this requirement.
 - ▶ The Board of Nursing does not require employees to document whether goods or services have been received prior to submitting an invoice for payment. We will recommend such a policy be established.
2. Numbered identification tags and a computerized Fixed Asset Management System (FAMS) were used to record all assets valued over \$1,000. These assets were also included in an internal inventory database to support the FAMS. Additionally, unnumbered identification tags were placed on some items valued at less than \$1,000; however, the unnumbered identification tags were used, maintained and updated at Ms. Boone's discretion and not all items under \$1,000 were recorded, nor was their location identified.

The Board of Nursing did not perform an inventory of computer equipment costing less than \$1,000, for example, printers and zip drives assigned to field employees. Additionally, the Board of Nursing did not utilize inventory forms to document the cost of these assets, when they were purchased, serial numbers, or locations. As a result, the Board of Nursing has no complete listing of all assets it owns and does not know the location of assets maintained by field personnel.

Although Ms. Lanier believed Mr. Farneman possessed unspecified computer equipment which belonged to the Board of Nursing, and Mr. Farneman, through his attorney, Michael Close, concurred², no documentation existed at the Board of Nursing to describe any such assets. We will issue a management comment regarding adequate record keeping for assets held off-site.

Of \$39,770 in assets valued over \$1,000 each, we were able to trace each item to the FAMS listing with no exceptions. Of \$31,101 in assets valued under \$1,000 each, we were able to trace \$11,186 to the internal inventory database. The remaining \$96,556 purchased during the Period was for software, which was not recorded by the Board of Nursing as fixed assets on either the FAMS listing or the internal inventory database.

²In a letter dated March 5, 2002, Mr. Close confirmed Mr. Farneman has a board-owned computer and firewall at his residence.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

3. The Board of Nursing used 54 vendors to obtain computer equipment during the Period. Of those 54 vendors, 9 were paid less than \$200 each; therefore, we did not attempt to contact them. Of the 45 vendors we contacted, we received detailed responses from 36 vendors, received no response from 3 vendors, were unable to contact 3 vendors, and 3 vendors responded they were unable to locate the requested invoices.

We compared the invoices supplied by the vendors to the Board of Nursing's records and found no documentation to show the Board of Nursing paid the following invoices:

Vendor	Number of Invoices	Total Amount of Invoices
CDW&G	3	\$10,570
Micro Center	49	6,215
Apple	3	7,904
Micro Warehouse	1	240
Zones	1	310
Black Box Corporation	<u>1</u>	<u>454</u>
Totals	<u>58</u>	<u>\$25,693</u>

Of the above 58 invoices, 2 were signed by Ms. Boone, even though the Board of Nursing had no record of paying for these expenditures.

In addition to the 58 invoices shown above, there were 8 vendor invoices which identified credits of \$992 to the Board of Nursing account for which we were unable to verify who remitted the original payment.

4. In response to our written request for information dated December 21, 2001, we received two letters dated February 6, 2002 and February 26, 2002, from Mr. Farneman's attorney Michael Close, of Wiles, Boyle, Burkholder & Bringardner. The responses included the following information regarding the 58 invoices and credits discussed in Result No. 3:
- ▶ 2 invoices totaling \$7,846 were for equipment purchased by Mr. Farneman for Dublin City Schools. Attorney Close included a copy of Mr. Farneman's check supporting this expenditure. Our review of the invoices received from the vendor indicated the equipment was sold and shipped to Ms. Boone at the Board of Nursing offices. (See Result No. 3).
 - ▶ 11 invoices totaling \$1,706 were items for which the Board of Nursing purchased and remitted payment. No documentation was provided by Attorney Close to support this statement and our review of Board of Nursing expenditures did not reflect it had paid these invoices.
 - ▶ Mr. Farneman did not have any documentation supporting 4 invoices totaling \$8,144.
 - ▶ The response did not address 4 invoices totaling \$3,638.
 - ▶ 37 invoices totaling \$4,359 were for items Mr. Farneman purchased in part for work performed for the Board of Nursing and part for his personal use. In these instances, the response indicated Mr. Farneman paid the vendor for the purchases.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Because Mr. Farneman used the Board of Nursing's vendor account, which included its Tax Identification Number, to purchase these items, there was no State or County sales tax paid. We calculated the value of sales tax due on purchases made by Mr. Farneman using the Board of Nursing's vendor account to be \$702.³ Additionally, the potential exists for unpaid sales tax in the amount of \$776⁴, representing items for which the Board of Nursing had no record of payment and for which Mr. Farneman did not provide specific documentation that he did or did not make these purchases.

The failure to collect and remit sales tax raises questions under Ohio Rev. Code Sections 5739.02(A) and 5739.02(B)(1). Consequently, this report will be referred to the Ohio Department of Taxation to review whether Mr. Farneman, by using the Board of Nursing's account which included their Tax Identification Number, should remit sales tax for those purchases.

NONCOMPLIANCE CITATION

Supporting Documentation for Payment Card Expenditures

Office of Budget and Management (OBM) Payment Card Manual, Paragraph 7 ("Cardholder Log") states, in pertinent part, "Merchant receipts, invoices or packing slips... are to be kept with the log and are filed for audit purposes. The paperwork given to the cardholder by the merchant should contain: (1) vendor name, (2) date of the purchase, and (3) description of items purchased. Each log entry should be supported by documentation."

We identified 4 expenditures totaling \$405 in which no supporting documentation from the merchant was maintained. We also identified 3 expenditures totaling \$368 where merchant documentation was maintained; however, the documentation did not contain a description of the items purchased as required by the policy.

We recommend the Board of Nursing follow the procedures established in the OBM Ohio Payment Card Manual to ensure all supporting documentation for payment card expenditures is maintained.

MANAGEMENT COMMENTS

Approval of Payment Card Expenditures

The payment card proposal submitted by the Board of Nursing to the Ohio Department of Administrative Services stated the cardholder's supervisor was to "review purchases and payment logs to ensure proper purchases prior to submitting to reconciler for payment." The Appointment of Administrator form, signed by Dorothy Fiorino, Executive Director, stated that as Payment Card Administrator, Ms. Fiorino was "responsible for overseeing the agency's policies and procedures for the payment card program" and would "review reports to assure that prompt payments are being maintained and that no inappropriate activity has been recorded or attempted."

³This was calculated as \$12,205 in purchases multiplied by 5.75%, the combined sales tax rate for Franklin County and the State of Ohio.

⁴\$13,488 multiplied by 5.75%.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

We noted 56 payment card expenditures totaling \$17,386 in which Susan Boone, Operations Manager, approved her own payment card expenditures by either signing her own name as the approving authority or signing the Executive Director's name with Ms. Boone's initials. There were also 6 expenditures totaling \$1,257 where the payment log was not approved before it was submitted for payment.

We recommend the Board of Nursing follow the procedures established in the payment card proposal to ensure that all payment card expenditures are approved in a timely manner and only approved expenditures are paid.

Purchase Orders

We identified 44 expenditures totaling \$72,620 where each individual expenditure exceeded the \$500 threshold in which Board of Nursing administrative personnel indicated a purchase order was required. This threshold was not memorialized in writing by the administration.

We recommend the Board of Nursing develop a written policy whereby purchase orders are created for all payment card expenditures in excess of an amount established by the Board of Nursing prior to the purchase occurring to ensure funds are available.

Receipt of Goods

Board of Nursing employees did not document on the invoice whether goods or services had been received. Currently, the Board of Nursing does not have a written policy regarding the receipt of goods and/or services.

We recommend that an employee receiving goods or services document on the invoice or packing slip whether the described items or services were received. This will reduce the likelihood of the Board of Nursing remitting payment for goods or services which were not received.

Fixed Asset Inventory

Board of Nursing assets costing less than \$1,000 were not recorded or periodically subject to inventory confirmation. Printers, computer zip drives, and other equipment (such as computer lap-tops costing less than \$1,000) are being held by field employees who work off-site. Additionally, the Computer Consultant is maintaining Board of Nursing equipment at his residence, some of which may be below the \$1,000 threshold and therefore not recorded or confirmed.

The Board of Nursing has no method of reconciling these items held off-site, to insure they are not being misappropriated.

We recommend the Board of Nursing complete and maintain inventory forms and perform an annual inventory to manage its fixed assets held by field employees.

Other Users on Accounts

The former Business Manager allowed Mr. Farneman to use the Board of Nursing's account number for purchases of computer equipment not related to Board of Nursing activity. By using the Board of Nursing's account, Mr. Farneman avoided paying sales tax for his purchases. It is not sound business practice to allow an outsider to use a public entity account for personal business. A potential liability exists for the Board of Nursing if unauthorized charges, unpaid balances, or other questionable activities are processed on the account.

We recommend the Board of Nursing discontinue the practice of allowing consultants to use its established vendor accounts.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Issue No. 2 - Review of Payments to Computer Consultant

We reviewed all payments to the Computer Consultant, Otis Farneman, and verified whether the payments were made in accordance with contractual provisions.

Procedures

1. We obtained the Computer Consultant's contracts and documented the basis for payment.
2. We summarized all payments to the Computer Consultant, documenting the amount of payment for consulting hours and any reimbursements for equipment purchases. We verified whether the payments were in accordance with the contractual provisions.
3. We reviewed the equipment purchases identified in Issue No. 1, Procedure No. 3, and determined whether Mr. Farneman was reimbursed for any of these purchases.

Results

1. In addition to the State Term Contracts which provided for payments to Midwest Net, Inc.⁵, the Board of Nursing entered into the following personal service contracts for consulting provided by companies which either employed or were owned by Mr. Farneman:

Period	Vendor	Cost	Services
10/06/99 - 06/30/00	Midwest Net, Inc.	700 hours or \$24,500	Support Services
01/01/00 - 06/30/00	Midwest Net, Inc.	700 hours or \$24,500	Support Services
03/01/00 - 06/30/00	PB Technologies, LLC	612 hours or \$24,500	Support Services
05/01/00 - 06/30/00	PB Technologies, LLC	300 hours or \$12,000	Support Services
07/01/00 - 06/30/01	Midwest Net, Inc.	700 hours or \$24,500	Support Services
09/15/00 - 06/30/01	Midwest Net, Inc.	700 hours or \$24,500	Support Services

Each of the above contracts was signed on behalf of the Board of Nursing with the name "Dorothy Fiorino," followed by "/SB" which, according to an interview we conducted with Ms. Boone, was Ms. Boone signing Ms. Fiorino's name with authorization from Ms. Fiorino to do so.

The Board of Nursing paid the maximum costs prior to the end of each personal service contract period, requiring a new contract to be entered into, and resulting in the overlapping periods shown above. During the Period, the Board of Nursing paid Mr. Farneman \$225,996 in personal service contracts and State Term Contracts.

2. None of the personal service contracts nor the State Term Contract specified the types of services to be provided and/or projects to be completed; therefore, we were unable to verify the payments remitted were in accordance with contractual provisions. However, all payments were made within contract maximum costs.

⁵See Background Information on Page No. 5.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

We noted the following exceptions during our review of the expenditures for the above contracts:

- ▶ \$1,365 was paid to Mr. Farneman for the period October 1 through October 5, 1999, even though no contract had been in effect at that time. The Board of Nursing also charged \$875 of Mr. Farneman's services to the wrong contract.
 - ▶ Of 123 time sheets we reviewed, 119 were not signed by Mr. Farneman and none of them identified the services Mr. Farneman performed.
 - ▶ There were 2 occasions where 2 time sheets were submitted with Mr. Farneman's name for the same work week but with different hours. One time sheet stated he worked 7:00 a.m. until 4:30 p.m. and the other stated he worked 10:00 p.m. until 4:00 a.m. Upon further investigation, we determined the time sheet with daytime hours was for work performed by another employee. Mr. Farneman indicated in his attorney's response dated February 26, 2001, either himself, or an independent contractor he employed, performed the work on the project represented by the time sheets. Board of Nursing personnel verified the individual did perform work for the Board of Nursing and the product created is currently used by the Board of Nursing.
3. A review of the payments issued by the Board of Nursing to Mr. Farneman indicated he was not reimbursed for equipment purchases.

MANAGEMENT COMMENTS

Consulting and Service Agreements

During fiscal years 2000 and 2001, the Board of Nursing entered into several different Consulting and Service Agreements where the period of the agreement overlapped with a previous agreement. Board of Nursing personnel indicated it was their intent to remit payment for the entire amount in each of the contracts, and in fact, each contract was charged the maximum amount, thereby resulting in additional contracts being negotiated with periods which overlapped previous agreements.

During the Period, the Board of Nursing paid Mr. Farneman \$225,996 in consulting services.

We recommend the Board of Nursing review the practice of utilizing an outside consultant to manage its network and determine whether it would be cost beneficial to hire an employee to perform the same services. Should the Board of Nursing continue to utilize an outside consultant, the Board should provide detailed guidelines of the types of services to be provided and the type of documentation required for the consultant to receive payment for those services.

Time Sheets

Each week, Mr. Farneman submitted a time sheet indicating the hours worked and the name of the company that billed for the services provided. We identified 119 of 123 instances where Mr. Farneman did not sign his time sheet indicating he performed the work. None of the 123 time sheets provided detail of the work he performed. The Board of Nursing did not provide any guidelines to Mr. Farneman in its agreement for the services identifying the type of documentation to be provided to ensure the services were performed.

We recommend the Board of Nursing require its consultant(s) to prepare time reports on a weekly or biweekly basis. The time reports should indicate hours worked and services performed. We recommend this requirement be included as a provision of all future contracts. We further recommend the Board of Nursing review the time reports to ensure the individual listed was the individual who performed the work, and that identified services were provided.



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OHIO BOARD OF NURSING

FRANKLIN 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
JUNE 6, 2002**