



**TWIN VALLEY BEHAVIORAL HEALTHCARE
TWIN VALLEY COMMUNITY SUPPORT NETWORK
FRANKLIN COUNTY**

AGREED UPON PROCEDURES

**FOR THE COST REPORTING PERIOD
JULY 1, 2007 THROUGH JUNE 30, 2008
AND
JULY 1, 2008 THROUGH JUNE 30, 2009**



Dave Yost • Auditor of State

**TWIN VALLEY BEHAVIORAL HEALTHCARE
TWIN VALLEY COMMUNITY SUPPORT NETWORK**

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Independent Accountants' Report on Applying Agreed-Upon Procedures

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As required by Ohio Admin. Code Section 5122-26-19, the Auditor of State's Office (AOS) performed the procedures enumerated below, codified in Ohio Admin. Code Section 5122-26-19.1, Appendix A, Part G to which the Ohio Department of Mental Health (ODMH) also agreed. These procedures are designed to assist you in evaluating whether Twin Valley Behavioral Healthcare: Twin Valley Community Support Network (hereafter referred to as Twin Valley CSN) prepared its Actual Uniform Cost Report (AUCR) for the periods July 1, 2007 through June 30, 2008 and July 1, 2008 through June 30, 2009, in accordance with the Uniform Cost Reporting Appendix to Ohio Admin. Code Section 5122-26-19 and to assist you in evaluating whether expenditure transactions complied with 2 CFR Part 225 (OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*), and other compliance requirements described in the procedures below. Twin Valley CSN's management is responsible for preparing these reports. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of ODMH. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Throughout this report we identified and documented any variance greater than plus or minus two percent as material and obtained management's explanation of the variance(s) for inclusion in this agreed-upon procedures report. Our procedures are as follows:

I. Mathematical Accuracy Testing

1.) We compared total disbursements on the FIN103 Expenditures by Department ID and Account report to total disbursements reported on all the Twin Valley CSN AUCRs during State Fiscal Years (SFY) ending June 30, 2008 and June 30, 2009.

Ohio Admin. Code Section 5122-26-19(B) requires each CSN to prepare its AUCR in accordance with accounting principles generally accepted in the United States of America. However, the AUCRs reviewed for Twin Valley CSN was prepared on a cash basis of accounting. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The AUCR omits accrued expenses that, while we presume to be material, the effect upon our testing of the procedures could not be determined.

We found no differences for SFY 2008 and 2009 exceeding two percent.

2a.) We compared the sum of the totals reported on the AUCR for personnel and non-personnel costs with the amount reported on the AUCR for the total costs of each service.

We found no differences for SFY 2008 and 2009 exceeding two percent.

2b.) We compared the sum of the reported service total costs and allocation of administrative overhead from the AUCR with the value reported on the AUCR for total costs of each service.

We found no differences for SFY 2008 and 2009 exceeding two percent.

2c.) We compared the result of total costs divided by the number of units from the AUCR with the cost per unit reported on the AUCR for each service.

We found no differences for SFY 2008 and 2009 exceeding two percent.

2d.) We compared the difference of the value reported for total costs less unallowable costs from the AUCR with the value reported for total allowable costs on the AUCR for each service.

We found no differences for SFY 2008 and 2009 exceeding two percent.

2e.) We compared the result of reported allowable costs divided by the number of units served from the AUCR with the allowable cost per unit reported on the AUCR for each service.

We found no differences for SFY 2008 and 2009 exceeding two percent.

2f.) We compared the sum of the amount reported in each column, from the number of full-time equivalents (FTEs) assigned to the total allowable costs from the AUCR, with the total mental health services reported on the AUCR under each corresponding column.

We found no differences for SFY 2008 and 2009 exceeding two percent.

2g.) We compared the sum of the values reported under total mental health services, the values reported in the total agency service total and administrative overhead from the AUCR with the agency total costs reported on the AUCR under each corresponding column.

We found no differences for SFY 2008 and 2009 exceeding two percent.

II. Personnel Costs

1.) We compared total salaries, wages, and fringe benefits on the Ohio Administrative Knowledge System (OAKS) Recap by Staff by Cost Center report to total personnel costs reported on the Twin Valley CSN's AUCRs during SFY 2008 and 2009.

We found no differences for SFY 2008 and 2009 exceeding two percent.

2.) From the personnel costs reported on the AUCRs, we selected the yearly personnel costs for 10 employees for SFY 2008 and 10 employees for SFY 2009. We performed the following procedures on these samples by inspecting the supporting documentation (e.g., Recap by Cost Center Report, job descriptions, etc.).

2a.) We determined if supporting documentation for personnel costs was maintained as required by 2 CFR 225 (OMB Circular A-87, Appendix A, (C) (1)(J)) and properly classified as allowable or unallowable as defined in sections (1) and (2) of paragraph (H) of Ohio Admin. Code Section 5122-26-19.

We found \$27,243 in employee salaries were not allocated to the Twin Valley CSN's SFY 2008 AUCR. We reported these variances in Appendix A (2008). We found no differences in SFY 2009 exceeding two percent.

2b.) For any unallowable personnel disbursements we reviewed the AUCR to determine if they were included in unallowable costs.

We found no unallowable personnel disbursements for SFY 2008 and 2009.

2c.) For any unallowable personnel disbursements we determined if they were allocated on the Budgeted Uniform Cost Report (BUCR) using the same cost methodology as they were allocated on the AUCR (e.g., number of FTEs).

We found no unallowable personnel disbursements for SFY 2008 and 2009.

2d.) We reviewed supporting documentation to determine if personnel costs were properly allocated as direct service or support service costs and to the appropriate service(s) (e.g., pharmacological management) in accordance with the Uniform Cost Reporting Appendix to Ohio Admin. Code Section 5122-26-19.

We found no differences for SFY 2008 and 2009

III. Non-Personnel Costs

1.) From the non-personnel costs reported on the AUCR, we haphazardly (as defined in the American Institute of Certified Public Accountants audit sampling guide) selected 43 and 45 non-personnel disbursements in SFY 2008 and SFY 2009, respectively. We performed the following procedures on each selected disbursement:

1a.) We determined if each disbursement was properly classified as allowable or unallowable as defined in sections (1) and (2) of paragraph (H) of Ohio Admin. Code 5122-26-19 and 2 CFR Part 225, Appendix A, (C)(1)(j) and Appendix B.

We found 19 disbursements in SFY 2008, totaling \$41,472, were not adequately documented as required by 2 CFR Part 225, Appendix A, Section (C)(1)(j).

We found 16 disbursements in SFY 2009, totaling \$16,803, were not adequately documented as required by 2 CFR Part 225, Appendix A, Section (C) (1)(j).

We identified State Audit Fees in the amount of \$12,026 on the AUCR for both SFY 2008 and 2009 as Non-Personnel costs. These costs are unallowable under 2 CFR Part 225, Appendix B, Section (4)(a) since these audit costs are not performed in accordance with, the Single Audit Act, as implemented by Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

The unallowable non-personnel disbursements identified for SFY 2008 and 2009 were not properly classified as unallowable costs on the AUCR. We reported these variances in Appendix A (2008) and Appendix B (2009).

1b.) We determined if the allocation method(s) used for the tested non-personnel disbursements complied with the procedures outlined in the Uniform Cost Reporting Appendix to Ohio Admin. Code Section 5122-26-19.

We found no differences for SFY 2008 and 2009

1c.) For any unallowable non-personnel disbursements we determined if they were allocated on the Budgeted Uniform Cost Report (BUCR) using the same cost methodology as they were allocated on the AUCR (e.g., number of FTEs).

We found no differences for SFY 2008 and 2009.

IV. Administrative Overhead Costs

1.) From the administrative overhead costs reported on the AUCR, we haphazardly (as defined in the American Institute of Certified Public Accountants audit sampling guide) selected 21 non-personnel disbursements for SFY 2008.

The SFY 2009 AUCR for Twin Valley CSN did not include non-personnel administrative disbursements; however, it included personnel costs. Therefore, we compared the costs reported for 15 administrative cost centers reported on *Schedule A-4 attach* of the SFY 2009 AUCR to the costs reported on HCM113CSPCD (Civil Service Payroll Costs by CSN/Inpatient and Employee and Dept. ID) report.

We found \$53,604 in employee salaries were not allocated to the Storeroom Inventory Control cost center on *Schedule A-4 Attach*. We calculated the allocation of these additional personnel disbursements among Twin Valley CSN's services as \$3,750 and reported these differences in Appendix B (2009).

We performed the following procedures on each selected disbursement and cost centers for SFY 2008:

1a.) We determined if each disbursement was properly classified as allowable or unallowable as defined in sections (1) and (2) of paragraph (H) of Ohio Admin. Code Section 5122-26-19 and 2 CFR Part 225, Appendix A, (C)(1)(j) and Appendix B.

Ten disbursements in the amount of \$30,660 were not adequately documented as required by 2 CFR Part 225, Appendix A, Section (C)(1)(j) in SFY 2008.

We calculated the portion of these unallowable administrative overhead disbursements allocated to Twin Valley CSN as \$2,404 in SFY 2008. The unallowable administrative overhead disbursements identified for SFY 2008 were not properly classified as unallowable costs on the AUCR; therefore, we reported these variances in Appendix A (2008).

1b.) We determined if the allocation method(s) used for the tested administrative overhead disbursements were allocated using only one of the allowable methods described in the Uniform Cost Reporting Appendix to Ohio Admin. Code Section 5122-26-19.

We found no unallowable allocation methods for SFY 2008 and 2009.

1c.) For any unallowable administrative overhead costs we determined if they were allocated on the BUCR using the same cost methodology as they were allocated on the AUCR (e.g., number of FTEs).

Schedule A-4 Administrative Overhead Costs was unavailable for the SFY 2008 and 2009 BUCR and was not examined.

V. Units of Service

1.) We compared the number of units on the AUCR with the Twin Valley CSN units of service cross tab report to determine if units were reported in compliance with the Uniform Cost Reporting Appendix to Ohio Admin. Code Section 5122-26-19.

2008 Results:

Documentation of units was not tracked by Twin Valley CSN and unavailable for the following services: client flex fund, forensic monitoring, and jail support/med somatic.

2009 Results:

The amount of CSN Flex Fund units was overstated by 237 units. The amount of forensic monitoring units was overstated by 2,036 units. The amount of jail support/med somatic units was understated by 48 units.

2.) From and by each service with costs reported on the AUCR, we haphazardly (as defined in the American Institute of Certified Public Accountants audit sampling guide) selected 40 and 43 units of service for SFY 2008 and SFY 2009, respectively. We performed the following procedures on the selected units:

2a.) We determined if supporting documentation for the units of service was maintained as required by the Uniform Cost Reporting Appendix to Ohio Admin. Code Section 5122-26-19 and met the service documentation requirements of Ohio Admin. Code Section 5101:3-27-07 and units of service conventions in Ohio Admin. Code Section 5101:3-27-05:

- Date of service;
- Duration of the service contact; and
- Unit of service convention (e.g., one hour of mental health assessment is one unit).

We did not identify any differences for SFY 2008 and 2009.

VI. BUCR to AUCR Comparison

1.) We compared each cost category on the Budgeted Uniform Cost Report (BUCR) against the AUCR and determined if the same cost methodology was used (e.g., number of FTEs).

We did not identify any differences for SFY 2008 and 2009 in *Schedule A-1, Uniform Cost Report, Schedule A-2 Personnel Service Costs, Schedule A-3 Non Personnel Service Costs, and Schedule A-4 Administrative Overhead Costs* were unavailable for the SFY 2008 and 2009 BUCR and were not examined.

On September 6, 2011 we held an exit conference with the Twin Valley CSN. The Twin Valley CSN's response is included in Appendix A and B. We did not audit the response and, accordingly, we express no opinion on it.

This report is intended solely for the use of the managements of the ODMH and the Twin Valley CSN and is not intended to be, and should not be used by anyone other than these specified parties.

Sincerely,



Dave Yost
Auditor of State

September 6, 2011

Appendix A
Twin Valley Community Support Network
Adjustment for the AUCR Reporting Period from 7/01/2007 to 6/30/2008

2008 Worksheet/ Schedule	Original Amount Reported on AUCR	Adjustment(s) Required	Final Adjusted Amount	Explanation of Adjustment	CSN's Explanation of Error
Twin Valley CSN					
Schedule A-1, Uniform Cost Report					
Pharmacological Mgt. (Medication/Somatic)					
Column 4-Personnel Costs (B) Support Service	\$122,708	\$925	\$123,633	To correct payroll for unreported salaries	CSN did not pick up 2nd salary entry on OAKS report for 2 employees.
Column 10-Un-Allowable Costs	\$116,556	\$17,483		To correct nonpersonnel for unsupported costs	CSN cannot locate support
		\$442		To correct admin overhead for unsupported costs	CSN cannot locate support
		\$992	\$135,473	To reclassify unallowable state audit fees	CSN cannot claim audit fees
BH Counseling and Therapy (Ind.) (Ind. Counseling)					
Column 10-Un-Allowable Costs	\$0	\$498		To correct nonpersonnel for unsupported costs	CSN cannot locate support
		\$74		To correct admin overhead for unsupported costs	CSN cannot locate support
		\$248	\$820	To reclassify unallowable state audit fees	CSN cannot claim audit fees
BH Counseling and Therapy (Gp. Counseling)					
Column 10-Un-Allowable Costs	\$0	\$249		To correct nonpersonnel for unsupported costs	CSN cannot locate support
		\$25		To correct admin overhead for unsupported costs	CSN cannot locate support
		\$124	\$398	To reclassify unallowable state audit fees	CSN cannot claim audit fees
Mental Health Assessment (non-physician) (Diag. Assess)					
Column 10-Un-Allowable Costs	\$0	\$5	\$5	To correct nonpersonnel for unsupported costs	CSN cannot locate support
Community Psychiatric Supportive Treatment (Ind.) (Ind. CSP)					
Column 4-Personnel Costs (A) Direct Service	\$753,037	\$19,844	\$772,881	To correct payroll for unreported salaries.	CSN did not pick up 2nd salary entry on OAKS report for 2 employees.
Column 4-Personnel Costs (B) Support Service	\$307,891	\$4,597	\$312,488	To correct payroll for unreported salaries.	CSN did not pick up 2nd salary entry on OAKS report for 2 employees.
Column 10-Un-Allowable Costs	\$0	\$14,192		To correct nonpersonnel for unsupported costs	CSN cannot locate support
		\$1,079		To correct admin overhead for unsupported costs	CSN cannot locate support
		\$6,571	\$21,842	To reclassify unallowable state audit fees	CSN cannot claim audit fees
Community Psychiatric Supportive Treatment (Gp.) (Gp. CSP)					
Column 10-Un-Allowable Costs	\$0	\$249		To correct nonpersonnel for unsupported costs	CSN cannot locate support
		\$25		To correct admin overhead for unsupported costs	CSN cannot locate support
		\$124	\$398	To reclassify unallowable state audit fees	CSN cannot claim audit fees
Home Based Services, non-healthcare services (Other MH Serv.)					
Column 4-Personnel Costs (B) Support Service	\$185,200	\$1,877	\$187,077	To record understated payroll expenditures	CSN did not pick up 2nd salary entry on OAKS report for 2 employees.
Column 10-Un-Allowable Costs	\$0	\$6,734		To correct nonpersonnel for unsupported costs	CSN cannot locate support
		\$564		To correct admin overhead for unsupported costs	CSN cannot locate support
		\$3,223	\$10,521	To reclassify unallowable state audit fees	CSN cannot claim audit fees
Forensic Monitor, non-healthcare services (Other MH Serv.)					
Column 10-Un-Allowable Costs	\$0	\$1,285		To correct nonpersonnel for unsupported costs	CSN cannot locate support
		\$147		To correct admin overhead for unsupported costs	CSN cannot locate support
		\$620	\$2,052	To reclassify unallowable state audit fees	CSN cannot claim audit fees
Client Flex fund, non-healthcare services (Other MH Serv.)					
Column 10-Un-Allowable Costs	\$0	\$825	\$825	To correct nonpersonnel for unsupported costs	CSN cannot locate support
Jail Support, Med Som, non-healthcare services (Other MH Serv.)					
Column 10-Un-Allowable Costs	\$0	\$49		To correct admin overhead for unsupported costs	CSN cannot locate support
		\$124	\$173	To reclassify unallowable state audit fees	CSN cannot claim audit fees

Appendix B
Twin Valley Community Support Network
Adjustments for the AUCR Reporting Period from 7/01/2008 to 6/30/2009

2009 Worksheet/ Schedule	Original Amount Reported on AUCR	Adjustment(s) Required	Final Adjusted Amount	Explanation of Adjustment	CSN's Explanation of Error
Twin Valley CSN					
Schedule A-1, Uniform Cost Report					
Pharmacological Mgt. (Medication/Somatic)					
Column 7-\$Allocation of Admin. Overhead	\$18,335	\$451	\$18,786	To correct admin. overhead costs for unreported salaries.	CSN did not pickup all admin salaries on AUCR
Column 10-Un-Allowable Costs	\$10,439	\$899	\$11,338	To correct nonpersonnel for unsupported costs	CSN cannot locate support
		\$868	\$12,206	To reclassify unallowable state audit fees	CSN cannot claim audit fees
Mental Health Assessment (Diag. Assess).					
Column 7-\$Allocation of Admin. Overhead	\$1,528	\$37	\$1,565	To correct admin. overhead costs for unreported salaries.	CSN did not pickup all admin salaries on AUCR
BH Counseling and Therapy (Ind.) (Ind. Counseling)					
Column 7-\$Allocation of Admin. Overhead	\$4,584	\$112	\$4,696	To correct admin. overhead costs for unreported salaries.	CSN did not pickup all admin salaries on AUCR
Column 10-Un-Allowable Costs	\$0	\$337	\$337	To correct nonpersonnel for unsupported costs	CSN cannot locate support
		\$372	\$709	To reclassify unallowable state audit fees	CSN cannot claim audit fees
BH Counseling and Therapy (Gp.) (Gp. Counseling)					
Column 7-\$Allocation of Admin. Overhead	\$1,528	\$37	\$1,565	To correct admin. overhead costs for unreported salaries.	CSN did not pickup all admin salaries on AUCR
Column 10-Un-Allowable Costs	\$0	\$112	\$112	To correct nonpersonnel for unsupported costs	CSN cannot locate support
		\$124	\$236	To reclassify unallowable state audit fees	CSN cannot claim audit fees
Community Psychiatric Supportive Treatment (Ind.) (Ind. CSP)					
Column 7-\$Allocation of Admin. Overhead	\$59,590	\$1,463	\$61,053	To correct admin. overhead costs for unreported salaries.	CSN did not pickup all admin salaries on AUCR
Column 10-Un-Allowable Costs	\$0	\$5,392	\$5,392	To correct nonpersonnel for unsupported costs	CSN cannot locate support
		\$5,579	\$10,971	To reclassify unallowable state audit fees	CSN cannot claim audit fees
Community Psychiatric Supportive Treatment (Gp.) (Gp. CSP)					
Column 7-\$Allocation of Admin. Overhead	\$1,528	\$37	\$1,565	To correct admin. overhead costs for unreported salaries.	CSN did not pickup all admin salaries on AUCR
Column 10-Un-Allowable Costs	\$0	\$112	\$112	To correct nonpersonnel for unsupported costs	CSN cannot locate support
		\$124	\$236	To reclassify unallowable state audit fees	CSN cannot claim audit fees
Home Based Services, non-healthcare services (Other MH Serv.)					
Column 7-\$Allocation of Admin. Overhead	\$39,726	\$976	\$40,702	To correct admin. overhead costs for unreported salaries.	CSN did not pickup all admin salaries on AUCR
Column 10-Un-Allowable Costs	\$0	\$3,482	\$3,482	To correct nonpersonnel for unsupported costs	CSN cannot locate support
		\$3,595	\$7,077	To reclassify unallowable state audit fees	CSN cannot claim audit fees
Transportation (Other MH Serv.)					
Column 10-Un-Allowable Costs	\$0	\$1,161	\$1,161	To correct nonpersonnel for unsupported costs	CSN cannot locate support
Forensic Monitor, non-healthcare services (Other MH Serv.)					
Column 2. No of Units	2080	-2036	44	To correct units of service	CSN used budgeted hours on AUCR
Column 7-\$Allocation of Admin. Overhead	\$9,168	\$225	\$9,393	To correct admin. overhead costs for unreported salaries.	CSN did not pickup all admin salaries on AUCR
Column 10-Un-Allowable Costs	\$0	\$562	\$562	To correct nonpersonnel for unsupported costs	CSN cannot locate support
		\$620	\$1,182	To reclassify unallowable state audit fees	CSN cannot claim audit fees
Other Mental Health Service, Jail Psychiatric					
Column 2. No of Units	1774	48	1822	To correct units of service	CSN included incorrect units included on AUCR
Column 7-\$Allocation of Admin. Overhead	\$9,168	\$225	\$9,393	To correct admin. overhead costs for unreported salaries.	CSN did not pickup all admin salaries on AUCR
Column 10-Un-Allowable Costs	\$0	\$372	\$372	To reclassify unallowable state audit fees	CSN cannot claim audit fees
IDDT/ACT Team (Other MH Services)					
Column 7-\$Allocation of Admin. Overhead	\$4,584	\$112	\$4,696	To correct admin. overhead costs for unreported salaries.	CSN did not pickup all admin salaries on AUCR
Column 10-Un-Allowable Costs	\$0	\$337	\$337	To correct nonpersonnel for unsupported costs	CSN cannot locate support
		\$372	\$709	To reclassify unallowable state audit fees	CSN cannot claim audit fees
Other Mental Health Service-Rsup LK					
Column 7-\$Allocation of Admin. Overhead	\$3,056	\$75	\$3,131	To correct admin. overhead costs for unreported salaries.	CSN did not pickup all admin salaries on AUCR
Client Flex fund, non-healthcare services (Other MH Serv.)					
Column 2. No of Units	715	-237	478	To correct units of service	CSN included incorrect units included on AUCR
Column 10-Un-Allowable Costs	\$0	\$4,408	\$4,408	To correct nonpersonnel for unsupported costs	CSN cannot locate support

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TWIN VALLEY BEHAVIORAL HEALTHCARE: TWIN VALLEY COMMUNITY SUPPORT NETWORK

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
SEPTEMBER 27, 2011**