



Claire McCaskill

Missouri State Auditor

April 2006

MENTAL HEALTH

Springfield Regional Center



Office Of
Missouri State Auditor
Claire McCaskill

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The following findings were included in our audit report on the Department of Mental Health, Springfield Regional Center.

The Springfield Regional Center (SRC) has not taken adequate steps to ensure clients receive the best care possible. Unsatisfactory living conditions were observed during a November 30, 2005, visit to one group home. We found it quite disturbing that service coordinators' case notes from visits to the home on November 10 and 16, 2005, contained very little mention of any concerns. The Auditor's Office notified the SRC of some of our concerns in a letter dated December 6, 2005. The SRC subsequently met with the provider to address these unsatisfactory conditions. We visited a second group home owned by this same provider and found steps had been taken the morning of our visit to ensure the appearance of the home was tidy and well maintained.

Our visits to various placement facilities also noted problems related to the facilities' management of client funds including: balances exceeding maximum limits, inadequate documentation, inaccurate reporting of fund balances, untimely deposits, commingling of clients' funds with facility operating funds, and accounts with negative balances.

Our review found that the regional center did not obtain the proper background checks for 10 of 20 personal assistants (50 percent) reviewed that had worked for regional center clients at some point between January 2003 and June 2005. Further, of the 10 files reviewed where background checks had been performed, we found that 4 were not performed on a timely basis. For example, one individual started providing personal assistant services to a regional center client on November 9, 2004, and the background check for this individual was not completed until May 17, 2005.

The SRC spent over \$20 million in fiscal year 2005 to care for its clients. The SRC could better manage costs by monitoring service providers' actual and past costs of operation and by reviewing rates for consistency. Regional center personnel do not periodically review documentation to support the amounts billed by approximately 70 service providers or vendors for client services, and contracts with various day habilitation service providers were unclear. Additionally, the SRC has not established adequate procedures to ensure client budgets prepared by service coordinators are accurate.

The SRC provided funding in excess of the maximum allowed by the community support waiver and did not obtain approval from the Division of Mental Retardation and Developmental Disabilities (MRDD) Director for the additional funding. For example, day habilitation services costing \$30,417 were provided to one client between May 2004 and April 2005 and approval for the additional funding was not obtained. These services

YELLOW SHEET

and April 2005 and approval for the additional funding was not obtained. These services are limited to \$17,000 based on Department of Mental Health (DMH) guidelines. We also noted two other instances where excess funding was provided and approval was not obtained.

The SRC has not taken adequate steps to ensure Medicaid reimbursements from TCM services are maximized. The DMH has established a standard that provides that service coordinators are to log 106 direct service hours to the TCM system monthly, or 1,272 hours each year. However, we found 12 service coordinators did not meet the 106 direct hour standard when we compared the total direct hours logged by service coordinators in fiscal year 2005, and this resulted in the SRC losing an estimated \$83,000 in potential reimbursements. Additionally, TCM billings are not adequately reviewed to ensure Medicaid billings include the correct number of units and are supported by adequate documentation in the case notes.

The SRC does not adequately monitor the Disabilities Advocacy and Support Network's (the Network) performance or contract compliance. The Network is a not-for-profit corporation located on the grounds of the SRC. The Network's performance is not evaluated or monitored annually as required by the contract, and documentation to support the specific clients served or the service provided is not maintained. Also, while contract terms indicated the SRC would pay the Network to provide a maximum of 1,300 hours at a cost of \$14,989 for development of natural supports during the year ended June 20, 2005, we found the Network billed the regional center for 1,880 hours for development of natural supports totaling \$21,676. Furthermore, the SRC subsidized some of the operating expenses of the Network, including utilities, trash service, office space, and phone service. This subsidizing practice does not appear to be appropriate and may violate provisions of the Missouri Constitution.

During our audit of the SRC, we became aware of serious weaknesses over the management and accountability of donations made to the regional center. A separate report issued by the State Auditor's Office in December 2005, Report No. 2005-102, disclosed that donations of property with an estimated value of at least \$222,313 were made to the SRC but not accounted for properly, and we noted numerous internal control weaknesses, lack of accountability over distributions of donated property, and ineffective management oversight.

The audit also includes some comments related to billing of matching funds to Senate Bill 40 Boards, Choices for Families, training services, and payroll documentation upon which the center should consider and take appropriate corrective action.

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DEPARTMENT OF MENTAL HEALTH
 SPRINGFIELD REGIONAL CENTER

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STATE AUDITOR'S REPORT



CLAIRE C. McCASKILL
Missouri State Auditor

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and
Mental Health Commission
and
Dorn Schuffman, Director
Department of Mental Health
and
Linda Roebuck, Interim Division Director
Division of Mental Retardation and Developmental Disabilities
and
Sandra Wise, Acting Deputy Director for Community Services
Division of Mental Retardation and Developmental Disabilities
and
Diana Garber, Director
Springfield Regional Center
Springfield, MO 65801

We have audited the Department of Mental Health, Springfield Regional Center. The scope of this audit included, but was not necessarily limited to, the years ended June 30, 2005 and 2004. The objectives of this audit were to:

1. Review internal controls over significant management and financial functions.
2. Review compliance with certain legal provisions, regulations, and department policies.
3. Evaluate the efficiency and effectiveness of certain management practices and operations.
4. Review certain revenues and expenditures of the Springfield Regional Center.

Our methodology to accomplish these objectives included reviewing the facility's revenues, expenditures, contracts, meeting minutes, written policies and procedures, and other pertinent documents; interviewing various personnel of the facility and various other state and provider personnel; and testing selected transactions.

In addition, we obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. We also performed tests of certain controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract and other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the facility's management and was not subjected to the procedures applied in the audit of the facility.

The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Mental Health, Springfield Regional Center.



Claire McCaskill
State Auditor

January 10, 2006 (fieldwork completion date)

The following auditors participated in the preparation of this report:

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MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

DEPARTMENT OF MENTAL HEALTH
SPRINGFIELD REGIONAL CENTER
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1. Improving Client Care

The Springfield Regional Center (SRC) has not taken adequate steps to ensure clients receive the best care possible. Unsatisfactory living conditions were observed during a visit to one group home.

The SRC contracts with approximately 30 placement facilities which house and provide services to clients. Regional center service coordinators are required to meet monthly with clients in these facilities. The main focus of these meetings is to review the client's personal habilitation plan to ensure the provided services are meeting their needs. Documentation of these visits indicate that service coordinators ensure the clients' basic safety needs are met and that the clients' rights are observed by allowing them to make personal choices while living in these homes.

The regional center also has a quality management team consisting of a quality management supervisor, three specialists, two nurses, and an accountant. The team spends time monitoring providers, but also spends a significant amount of time consulting with providers and handling conflicts between clients and their providers.

Despite these monitoring procedures, clients still may not be receiving the best care possible. For example, based on a visit to a group home on November 30, 2005, to review client records and other procedures, we noted unsatisfactory conditions for the seven clients living in this home. Some unsatisfactory conditions observed included:

- Clients using broken furniture, including broken dresser drawers and a broken bed.
- Client areas were very untidy. Three of four bedrooms had clothing and bedding on the floor. In one bedroom, we observed a broken electrical outlet.
- One client had lighted holiday display items at the foot of his bed which could pose a fire hazard.
- The mattress cover on one client's bed had several large tears in it. The bedspread on another bed had holes in it and stuffing was coming out.

- In one of the home's bathrooms, we observed soiled washcloths in the corner of the shower. There was also visible mildew in the shower. In addition, the toilet in this bathroom was not flushing properly.
- Unlabeled hygiene products (products that were not identified by client) were observed in a shared bathroom. In addition to not being labeled, these items were not properly secured from a client who has restricted access to these items. This client had been taken to the hospital four days prior to our visit for drinking a bottle of hair spray. Our follow up review of this situation found that the SRC was notified by the group home of the visit to the hospital (a day later than required by SRC policy). In response, the regional center immediately notified the group home that the hygiene items needed to be locked up after each use; however, regional center personnel did not visit the home to ensure the hygiene products were properly secured.
- In the home's kitchen, we observed unpackaged food (chips, cereal, and pasta) lying on shelves in the kitchen cabinets and other food items that were not properly sealed in containers and stored.
- None of the food items (that were not in its original packaging) in the cabinets or the refrigerator were labeled and dated, as required.
- In the unlocked refrigerator, which was designated as the healthy snack food refrigerator, we observed prescription drugs for a client that no longer lived at the group home.
- In the home's living room, we observed an exposed phone jack and a stain on the floor from where something had been spilled.
- Linen closets in the home were in disarray. Towels and sheets appeared to have been wadded up and thrown in the closets.
- A review of the accounting records for client funds held by the group home revealed concerns which may impact the security of client personal funds and the eligibility of clients for benefits (details discussed in MAR No. 2 below).

Given these conditions, we found it quite disturbing that service coordinators made visits to the home on November 10 and 16, 2005, and their case notes contained very little mention of any of these concerns. Also, we found it troubling that adequate steps were not taken by the provider or the SRC to ensure the clients' safety after one of the clients in the home visited the hospital for drinking a bottle of hairspray. In addition, we noted referrals were made by service coordinators to the regional center's quality management team in February and March 2005 related to concerns they observed during monthly service

monitoring visits to the group home; however, the regional center did not have documentation from the agency to ensure the concerns identified and addressed by the quality management team were corrected by the home.

We notified the SRC of some of our concerns described above in a letter dated December 6, 2005. The SRC subsequently met with the provider to address these unsatisfactory conditions.

We visited a second group home owned by this same provider and found steps had been taken the morning of our visit to ensure the appearance of the home was tidy and well maintained. For example, the provider's maintenance crew had repaired holes in the home's walls, applied fresh (still wet) paint, and installed new locks on the kitchen cabinets. During our visit, the home's staff were unable to unlock the kitchen cabinets because the maintenance crew had failed to leave the new keys with the staff after installing the locks. We had informed the provider during the morning of December 12, 2005, that we would be visiting this home later that afternoon. Regional center employees indicated this group home houses clients with behavior issues and routinely has maintenance repairs.

The regional center's mission is to connect clients with service providers that can offer the best services for the clients' specific needs. However, after clients are placed with providers, the regional center personnel cannot ignore issues that could affect the propriety and quality of the services provided. Therefore, it appears that regional center personnel should take a more pro-active approach to ensure that clients receive the best services possible.

WE RECOMMEND Regional Center management conduct a comprehensive review of monitoring activities performed by service coordinators and the quality management team to determine those areas where improvements are needed to identify and correct unsatisfactory living conditions. Further, the SRC should be pro-active in ensuring that clients receive the best services possible.

AUDITEE'S RESPONSE

The SRC and the DMH provided the following responses:

We agree. Regional center case managers visit each consumer at least monthly, or more frequently, if needed, to assure appropriate care is provided. As part of these visits, case managers monitor the condition of the home or facility. In addition, regional center staff from the Quality Management Team (QMT) conduct monitoring visits on a quarterly basis.

The problems cited in the report were identified by the supervisor of the SRC quality management team who was demonstrating how the QMT conducts monitoring site visits. These problems were discussed immediately with the responsible staff in the home for correction. Most findings cited in the report were corrected immediately. Case

managers conducted daily monitoring visits at this facility for thirty (30) days to assure all conditions were corrected and continued compliance. In addition, the QMT staff also conducted periodic site visits.

Improving monitoring and quality assurance activities is a continuous process. To enhance the processes already in place, the Springfield Regional Center has prepared additional training for case managers to review the service monitoring guidelines. The SRC quality management team will attend and participate in this training with input from the state quality management team representative to review the Action Plan Tracking System (APTS) process and monitoring.

2. Placement Facilities' Handling of Client Funds

Various problems were noted related to placement facilities' management of client funds. Problems noted included client fund balances exceeding maximum limits, inadequate documentation to support some disbursements, inaccurate reporting of client fund balances, client ledgers not being reconciled to checking account balances, untimely deposits, inadequate tracking of client activity, commingling of clients' funds with facility operating funds, and accounts with negative balances.

The SRC has entered into contracts with many private care providers whereby it purchases residential care in community-based placement facilities for clients who would otherwise require institutionalization. These placement facilities include group homes, foster homes, and individualized supported living (ISL) sites. Besides providing care and treatment for the clients, these placement facilities are responsible for maintaining adequate records of the clients' personal funds and complying with established guidelines pertaining to those monies.

The regional center has not established an adequate level of oversight over client funds maintained at placement facilities. During our audit, we visited six placement facilities and reviewed the records related to client fund accounts. A review of those client funds and related records disclosed the following concerns:

- A. Five of the facilities visited did not take steps to ensure client funds did not exceed \$200, with the largest balances noted exceeding \$600. These client balances sometimes exceeded the \$200 maximum for extended periods of time, and we saw no reasons documented for the excess.

A regional center policy indicates that a client's placement facility account balance cannot exceed \$200. The SRC should more closely monitor clients' ledger balances to ensure compliance with facility policy and to avoid jeopardizing the clients' eligibility for state and federal benefits.

- B. Five of the facilities visited did not maintain supporting documentation for various expenditures made from client funds. For example, two instances were noted at one facility where cash totaling \$20 was taken from the bank account of a client and the amounts were not recorded on cash ledger sheets or accounted for in any other way. In another example, a facility could not provide documentation, such as a supporting invoice, for a client expenditure totaling \$104. The facility indicated the funds were used to purchase furniture for the client.

Placement facilities should maintain adequate documentation to support the expenditure of all client monies and to ensure compliance with SRC policy which also requires such documentation.

- C. Five of the facilities visited did not require ledger sheets or a receipt to be signed by clients or initialed by two staff members when clients were given their personal allowance in the form of cash. Not only is this in violation of regional center policy, this practice increases the risk of misuse of client funds.
- D. Five of the facilities visited did not accurately report client fund balances on monthly reports submitted to the regional center. The regional center should ensure the monthly reports prepared by placement facilities accurately reflect the client account balances. This is required by regional center policy and is necessary to ensure account balances are kept within the established limits.
- E. One of the facilities visited did not reconcile the client ledgers to the checking account on a monthly basis. Further, another facility visited had over \$126 in the bank account which could not be identified to any particular clients.

Periodic reconciliations of the client ledgers to the bank account help provide assurance the client ledgers are being maintained accurately and help detect errors on a timely basis. Any differences between the client ledgers and the bank account should be investigated and resolved on a timely basis.

- F. Three of the facilities visited did not deposit client funds received in a timely manner. We noted several instances where client checks received by the provider were not deposited until nearly one month after being received. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited daily or when accumulated receipts exceed \$100.
- G. Two of the facilities visited did not maintain spending ledgers to track all client spending activity. For example, one facility did not maintain

spending ledgers to account for cash spent by the client. Another facility, which provides ISL placement, did not track client expenditures for rental payments made to the client's ISL. We reviewed January 2005 rent payments for five clients at this facility and found the facility overbilled the regional center for rent on two clients. While the amounts overbilled were not significant, the regional center should thoroughly review amounts billed from the facility and correct the errors noted. Further, regional center policy requires facilities to maintain spending ledgers to account for client spending activity.

- H. One of the facilities visited issues checks to a staff person that cares for the client instead of issuing the check directly to the client. These checks are cashed by the staff person and then used to purchase items such as food or clothing for the client who resides in an ISL. The practice of issuing checks to placement facility staff is prohibited by regional center policy. The SRC should more closely monitor facility operations to ensure compliance with regional center policy.
- I. One of the facilities was holding \$1,084 for three clients that no longer resided at the facility, with one of the clients having moved from the facility over two and half years ago. The SRC should monitor client fund balances held by placement facilities, request these client funds be returned to the regional center, and take appropriate action to distribute the client funds.
- J. One of the facilities visited maintained client funds in the facility's operating account. Commingling the client's personal money with the facility's operating funds is a violation of the contract between the SRC and the placement facility. Furthermore, it increases the likelihood that client monies are not being adequately safeguarded or accounted for properly.
- K. One of the facilities visited had negative client fund balances at various times during 2005. Overspending occurred because client balances were not adequately monitored to ensure sufficient balances existed before expenditures were made.
- L. Two of the facilities visited did not maintain updated client inventory records which would list durable assets owned by the client. A regional center policy requires this inventory record to be maintained on a current basis. For example, one facility purchased a computer and other electronic equipment with the client's personal funds costing approximately \$800, and this equipment was not added to the client's inventory records. The SRC should more closely monitor inventory records to ensure compliance with regional center policy and to provide better controls over client assets.

WE RECOMMEND the Regional Center management:

- A. Monitor client fund account balances to ensure the accounts do not exceed the \$200 limit.
- B. Require placement facilities to maintain adequate documentation, such as original invoices, to support expenditures made from client funds.
- C. Ensure placement facilities require ledger sheets or a receipt to be signed by clients or initialed by two staff members when clients are given their personal allowance in the form of cash.
- D. Ensure the monthly reports prepared by placement facilities are accurate.
- E. Require placement facilities to periodically reconcile client book balances to the client's bank account and maintain documentation of such reconciliations. Any differences between the client book balances and the bank account should be investigated and resolved on a timely basis.
- F. Ensure placement facilities deposit client receipts in a timely manner.
- G. Require placement facilities maintain spending ledgers to track all client spending activity.
- H. Monitor placement facility operations to ensure the practice of issuing checks to staff is prohibited in accordance with regional center policy.
- I. Monitor client fund balances held by placement facilities. Also, request these client funds be returned to the regional center and take appropriate action to distribute these client funds.
- J. Ensure client personal funds are held in trust and are not commingled with operating funds.
- K. Ensure placement facilities do not make expenditures from client fund accounts in excess of available balances.
- L. Require placement facilities to maintain updated client inventory records in accordance with regional center policy.

AUDITEE'S RESPONSE

The SRC and the DMH provided the following responses:

We agree. Current regional center policies and procedures already require each of the recommended practices. Placement facilities are expected to comply with these requirements and regional centers monitor compliance with existing staff.

It is important to note that the division established the policy requiring residential providers to maintain less than \$200 in client accounts in order to keep overall consumer assets under the limits set by state and federal programs in order to maintain Medicaid eligibility and benefits. Residential service providers have been appropriately informed of their obligation to properly monitor these funds. It should be noted no consumer's Medicaid eligibility or benefits were lost in the cases cited in the audit.

Springfield Regional Center has reviewed the identified deficiencies with the appropriate placement providers as well as asked for corrective action, and has added outcomes to the quality management plans for those residential providers where issues have been identified. These will be tracked in the regular quarterly quality management plan reviews until resolved. The QMT accountant currently provides information on the above to all new providers in the new provider training and this can be accessed by established providers as well.

In order to continue to improve compliance with current policies and procedures and to continue to improve regional center monitoring of compliance, the regional center will discuss these requirements in the regular provider organization meetings and in each provider's quality management plan review.

The QMT has also begun reviews of consumer funds in accordance with division directive 5.070 section. "Client funds" which went into effect on December 1, 2005, and states that... "In addition to consumer balances being reviewed quarterly by the regional center a 5% sample of consumers or 5 consumers (whichever is more) receiving services from each contracted provider that handles consumer funds will be reviewed annually. All consumer funds will be reviewed if the provider serves less than 5 consumers." Training has been completed and this review is being conducted by assigned staff at the regional center.

3.

Monitoring Services

The SRC spent over \$20 million in fiscal year 2005 to care for its clients. The regional center could better manage these costs by improving monitoring procedures and by reviewing established rates of payment for consistency.

- A. The SRC could better manage costs by monitoring service providers' actual and past costs of operation and by reviewing rates for consistency.

Regional center clients receive services such as residential placement, day habilitation, or personal assistant services from facilities that are operated and managed by private contractors. These facilities bill the regional center based on established daily rates or hourly units depending on the type of service being provided.

Currently, each provider prepares a budget of costs to provide service for its clients, and the regional center then uses the provider's budget to establish the rates it will pay the provider for specific services, such as residential placement. Regional center personnel do not verify the costs reported on the budget or review supporting documentation from the service provider to ensure the costs are accurate or represent a necessary cost to operate and provide the service to clients.

The regional center also does not review rates paid to various providers for consistency. For example, we noted daily rates for similar level group homes ranged from \$102 to \$179 per day. Regional center personnel indicated the difference in rates is due to the specific needs of the clients residing in the facility. However, the regional center did not have any formal documentation to justify these differences in rates. Further, when we reviewed the rate for a group home that houses clients with significant medical needs, we found the rate paid to this provider was lower than most other group homes that housed clients with less serious medical needs.

In another example, we noted one residential placement facility was given a rate increase in October 2004 of approximately \$3,500 per quarter for three clients residing in the home. The provider requested the rate increase because of the declining health conditions of the clients. Upon discussion with the owner of this facility, we found they did not track the cost of operating the home; thus, we were unable to determine the amount at which their costs had increased.

A careful analysis of budget and cost data provided from the contractors when establishing rates is important to ensure payments to the providers are appropriate and reasonable. This would include requiring providers to retain cost records and verifying that the cost data submitted by providers is accurate. In addition, a comprehensive review of the rate structure should be performed to determine if rates are consistent for providing similar services.

- B. Regional center personnel do not periodically review documentation to support the amounts billed by service providers for client services. During the year ended June 30, 2005, the regional center contracted with approximately 70 different service providers or vendors. Providers are set up to bill either the state's Medicaid Program or the regional center through the Department of Mental Health's (DMH) computer system for

services provided to clients. The computer system only allows a provider to bill up to a maximum authorized amount that is determined by regional center personnel based on the client's need.

When billing information is received by regional center accounting personnel, it is only scanned for unusual items before it is sent to the DMH for processing. While it does not appear feasible to obtain support from vendors for each amount billed on behalf of each client, periodic reviews of documentation could help ensure that amounts billed are only for actual services provided. This type of periodic review could include randomly selecting some individuals from several providers' billings and requesting supporting documentation for the billed services. For example, regional center personnel could request a detailed time sheet for a therapist which shows the number of hours spent with a specific client or an invoice for an item purchased for a client.

- C. The contracts with various day habilitation service providers were unclear as to whether incidental fees should have been charged to the clients or paid by the service provider. Clients at some facilities were required to use a portion of their \$30 monthly personal spending allowance for incidental fees related to day habilitation, such as fees for crafts or recreation. The SRC paid service providers over \$4.2 million to provide day habilitation to regional center clients.

Day habilitation is provided to clients of the regional center to enable those individuals to increase independent functioning, physical health and development, language and communication development, cognitive training, socialization, community integration, domestic and economic management, functional skills development, behavior management, responsibility, and self-direction.

The SRC should ensure all contract terms and clauses are clear and unambiguous. Specific contract terms should be developed to address whether incidental fees can be charged to clients by service providers.

- D. The SRC provided funding in excess of the maximum allowed by the community support waiver and did not obtain approval from the Division of Mental Retardation and Developmental Disabilities (MRDD) Director for the additional funding. For example, day habilitation services costing \$30,417 were provided to one client between May 2004 and April 2005 and approval for the additional funding was not obtained. These services are limited to \$17,000 based on DMH guidelines. We also noted two other instances where excess funding was provided and approval was not obtained.

Further, the SRC has not established adequate monitoring procedures to ensure budgeted services do not exceed the established limits. We noted five budgets (including the three noted above) were approved for clients where budgeted services exceed the established maximums and approval for the proposed additional funding was not obtained. Client budgets are prepared annually to summarize the cost of the services necessary to care for the client.

The Division of MRDD developed a new community support waiver in July 2003. This waiver program was established for mentally retarded and/or developmentally disabled individuals who are Medicaid eligible and who would otherwise, but for receipt of services through the waiver, require placement in an Intermediate Care Facility for the Mentally Retarded (ICF/MR).

Day habilitation services provided under the waiver are limited to \$17,000 annually for each client participating in the program unless approval from the MRDD Director for the additional funds is obtained. Further, any combination of day habilitation services with respite care, personal assistant care, crisis intervention, community specialist, community skills instruction, counseling, environmental accessibility, specialized medical equipment and supplies, therapies, transportation, and supported employment through the waiver shall be limited to \$20,000 annually for each client unless approval from the MRDD Director for the additional funds is obtained. The SRC should develop procedures to ensure compliance with program guidelines.

- E. The SRC has not established adequate procedures to ensure client budgets prepared by service coordinators are accurate. We found that client budgets were not always accurately prepared to summarize the total cost of caring for the client. For example, we noted one client budget had residential placement costs totaling \$6,273, when those estimated costs should have been \$13,308 based on current rates. The budget only included room and board and did not include the cost of habilitation. Further, the client budget was not amended to reflect a rate increase which increased costs by \$3,372. Client budgets are reviewed by a committee established to ensure resources are properly utilized and by accounting personnel; however, these inaccuracies were not identified.

An adequate review of budget documents is necessary to ensure budgets accurately reflect the total cost of caring for the client and to be of maximum assistance to the regional center in managing its resources.

WE RECOMMEND Regional Center management:

- A. Review budget and cost data provided from the contractors to ensure the contract rates paid to the providers are appropriate and reasonable. This would include requiring providers to retain cost records and verifying that the cost data submitted by providers is accurate. In addition, a comprehensive review of the rate structure should be performed to determine if rates are consistent for providing similar services.
- B. Perform periodic reviews of vendor invoices to ensure adequate documentation exists to support amounts billed on behalf of regional center clients.
- C. Ensure all contract terms and clauses are clear and unambiguous. Also, develop specific contract terms to address whether incidental fees are allowable.
- D. Ensure the assistance allowed for the waiver program does not exceed the established maximums. If this occurs, regional center personnel should ensure that the appropriate approvals are received and documented. Further, develop monitoring procedures to ensure budgeted services do not exceed the established maximums without obtaining the appropriate approvals.
- E. Establish procedures to ensure client budget documents are accurate and include the total cost of care.

AUDITEE'S RESPONSE

The SRC and the DMH provided the following responses:

We agree in part. Consumer budgets are reviewed by the case managers and accounting department prior to approval of services to help ensure the budget is correct and total cost of care is included. The budget format has been enhanced to further help identify limitations to specific services or programs. The QMT staff reviews all provider budgets for reasonableness for any new provider or new service. The budget is then submitted to central office for review.

SRC approves service rates based on existing cost of comparable services and taking into consideration the specialized supports offered by specific providers. It will be difficult to perform a uniform cost report analysis for every new service rate or rate adjustment or to verify all cost data submitted by providers. In certain situations, service rates may be sent to central office for review prior to final determination of a rate.

In addition the SRC quality management team now conducts a service review in accordance with the Division Directive 5.070, section "service review" effective

December 1, 2005. This will be completed for all agencies within a year and annually thereafter.

4. Background Check Procedures

The SRC has not ensured clients have been adequately protected from abuse or neglect by individual caregivers. We found that criminal background check procedures were not always followed and background checks were not always done on a timely basis.

The regional center allows clients and/or their families to self-direct services such as personal assistant services. As part of the program, the client or family will act as the employer who is responsible for hiring, training, and supervising personal assistants. The regional center serves as a bridge between the client and/or family and contracts with a fiscal intermediary who is responsible for handling payroll functions. Each personal assistant that is hired by a client and/or their family is required to sign a contract with the regional center and fiscal intermediary. The contract requires that the employee shall have undergone a criminal background check. The regional center conducts background checks on the personal assistants through the Family Care Safety Registry (FCSR).

The FCSR was established by Sections 210.900 through 210.936, RSMo to protect children, elderly, and disabled individuals in this state and to promote family and community safety by providing information concerning family caregivers. These sections require every child-care worker or elder-care worker hired on or after January 1, 2001, and every personal-care worker hired on or after January 1, 2002, to complete a registration form within fifteen days of the beginning of such person's employment. Registrants are screened against criminal records, sex offender records, child abuse/neglect information, employee disqualification lists, childcare license revocation information, and foster parent denials, revocations, and suspensions.

Our review found that the regional center did not obtain the proper background checks for 10 of 20 personal assistants (50 percent) reviewed that had worked for regional center clients at some point between January 2003 and June 2005. Further, of the 10 files reviewed where background checks had been performed, we found that 4 were not performed on a timely basis. For example, one individual started providing personal assistant services to a regional center client on November 9, 2004, and the background check for this individual was not completed until May 17, 2005.

Many clients of the regional center often do not have the capability to fully protect themselves from abuse and neglect. These weaknesses place clients at possible risk of being served by disqualified individuals.

WE RECOMMEND Regional Center management develop procedures to ensure background checks are obtained on a timely basis for all personal assistants.

AUDITEE'S RESPONSE

The SRC and the DMH provided the following response:

We agree. A procedure will be developed to ensure that background checks for personal assistants are completed in a timely manner.

5. Targeted Case Management

The SRC has not taken adequate steps to ensure Medicaid reimbursements from Targeted Case Management (TCM) services are maximized and as a result, has lost over \$83,000 in potential reimbursements. In addition, TCM billings are not adequately reviewed to ensure Medicaid billings are accurate and properly supported.

SRC service coordinators (case managers) provide TCM services for many of its clients. These clients must be eligible for the state's Medicaid program and must also meet the eligibility requirements for services from the Division of MRDD. TCM services are defined as activities that assist individuals in gaining access to care and services, and they may be provided in or out of the presence of the client. Examples of TCM services include making contacts with applicable parties, making client assessments, planning for the client, and documenting client information. According to the TCM operations manual, most of what service coordinators in the MRDD regional centers do as routine activity qualifies as TCM and is billable.

Each time a service coordinator provides TCM services they are required to log the duration and description (or case notes) of the services into the computer system. The number of TCM hours is converted to units and billed monthly to the state's Medicaid program by a computerized billing system. During the year ended June 30, 2005, the DMH billed the Medicaid program \$6.74 for every unit, or five minutes, spent on TCM services, with approximately 60 percent (the federal portion) of that amount being reimbursed. In that year, the SRC generated approximately \$1.8 million in reimbursements from the state's Medicaid program for TCM services.

- A. The SRC has not taken adequate steps to ensure Medicaid reimbursements from TCM services are maximized. As a result, the SRC lost over \$83,000 in potential reimbursements during fiscal year 2005.

The DMH has established a standard that provides that service coordinators are to log 106 direct service hours to the TCM system

monthly, or 1,272 hours each year. The Assistant Center Director of Habilitation indicated case supervisors monitor the direct hours logged by the service coordinators under their supervision, and develop a plan of action when service coordinators are not meeting the direct services requirement. However, we found 12 service coordinators did not meet the 106 direct hour standard when we compared the total direct hours logged by service coordinators in fiscal year 2005, and this resulted in the SRC losing an estimated \$83,000 in potential reimbursements.

This estimate is based on an average number of Medicaid eligible clients provided by the facility and information from a monthly report summary of direct service hours for each service coordinator. The report makes adjustments for service coordinators who worked part-time, or did not work for SRC the entire year, and we did not include one employee who had been on an extended medical leave in our review.

Procedures should be established to ensure TCM reimbursements are maximized.

- B. TCM billings are not adequately reviewed to ensure Medicaid billings include the correct number of units and are supported by adequate documentation in the case notes. Supervisors do not review the TCM billings sent to Medicaid to ensure the correct number of units are billed. Our review noted the computer billing system is billing Medicaid for a five minute unit of service when only two and three minutes of service have been provided. DMH employees indicate these units should not be billed based on Medicaid standards. The regional center could not estimate the total amount overbilled to Medicaid because of this error in the computer billing system. The regional center and the division should make programming changes to the computer billing system to ensure units of service are properly billed.

In addition, case notes reviewed did not always identify the parties involved, the service provided, indicate the topic and what was discussed at the meeting, and why the action occurred. Further, case notes are not always prepared in a timely manner. For example, case notes for services provided on March 28, 2005, were not prepared until May 3, 2005. Supervisors select two case notes to review quarterly which results in each service coordinator having one of their case notes reviewed at least once annually.

According to the TCM manual, case notes must adequately explain the service provided. The case note should tell what action occurred and why, and identify the parties involved. To support Medicaid billings and ensure billings have adequate supporting documentation and are made timely, SRC should require service coordinators to prepare detailed, timely case

notes, which should be reviewed more thoroughly by supervisors along with billings to Medicaid.

WE RECOMMEND Regional Center management:

- A. Establish adequate procedures to ensure TCM revenues are maximized. This should include ensuring that service coordinators are in compliance with the department's standard of providing and logging at least 106 direct services hours each month.
- B. Examine billings for overcharges and contact Medicaid officials to resolve any overbillings. Also, programming changes should be made to the computer billing system to ensure units of service are properly billed. Further, a policy should be established requiring a review of Medicaid billings by a supervisor to ensure adequate documentation exists to support TCM billings and case notes are prepared on a timely basis.

AUDITEE'S RESPONSE

The SRC and the DMH provided the following responses:

We agree in part. The 106 billable hours per month is a target. It was established in an effort to provide a guideline for maximizing billing opportunities. It is not expected to be achieved 100% of the time for all staff at all times due to illness, leave time and emergencies etc. Therefore it should not be assumed that potential revenue has been inappropriately lost when the target is not achieved. The SRC case manager supervisors track and address productivity problems as necessary where this is an issue including entries in performance logs when a plan of action is needed, to address the concerns.

A process was put in place in fiscal year 2005 which includes regular discussions with the case managers and monthly record checks by the case manager supervisors for hours logged, timeliness and content of case notes. In addition, the Assistant Director of Habilitation randomly reviews case notes as well. The Assistant Director of Habilitation will now review a percentage of all case notes on a quarterly basis as a check and balance to ensure they were documented in a timely manner, correctly and were billed appropriately. The accounting department will continue to review and examine to correct any TCM billing overages or issues.

The current computer billing process will be examined to determine how minutes of service are accumulated and billed. Changes to the system will be made, as necessary, to comply with Medicaid guidelines.

6.**Billing of Matching Funds to Senate Bill 40 Boards**

The regional center did not ensure amounts for the MRDD Waiver program were billed correctly to various Senate Bill (SB) 40 boards, and as a result, two SB 40 boards were under billed by \$6,431.

The DMH administers three waiver programs including the Comprehensive Waiver, Lopez Waiver, and Community Support Waiver for individuals with mental retardation or developmental disabilities. Various county SB 40 boards in SRC's service region have entered into cooperative funding agreements with the regional center, agreeing to pay all or a portion of the state match of certain waiver clients residing in their respective counties. Under these agreements, the regional center determines the amount of state match owed and bills the respective SB 40 boards on a monthly basis.

Several errors were noted for the billings prepared for one SB 40 board during the year ended December 31, 2004, resulting in underbillings totaling \$4,183, and another SB 40 board was underbilled by \$2,248 during the six months ending June 30, 2005. The regional center failed to bill for all services provided or for amounts allowed in contract amendments. The regional center's Director of Administration indicated he reviews the billings; however, the inaccuracies were not identified. As a result, the state paid for service costs which should have instead been paid by the SB 40 Boards.

Careful scrutiny of billing information is necessary to ensure SB 40 boards are billed the correct amount of waiver match to reduce the amount of care and treatment costs incurred by the state.

WE RECOMMEND Regional Center management ensure SB 40 boards are billed for the correct amount of waiver match in accordance with the cooperative funding agreements.

AUDITEE'S RESPONSE

The SRC and the DMH provided the following response:

We agree. Currently SRC bills each SB 40 board in accordance with their cooperative agreement. This is billed by the accounting department and reviewed by the Assistant Center Director of Administration. In addition, each SB 40 that has a cooperative agreement has a member of the SRC executive team assigned as a board contact to attend meetings on a quarterly basis or as needed, answer questions, etc. A minimum of a quarterly report on expenditures, services billed, funds remaining, services needed etc. is provided to each board as well. To further ensure correct billing the regional center Assistant of Administration/designee will review billing status quarterly.

The SRC does not adequately monitor the Disabilities Advocacy and Support Network's (the Network) performance or contract compliance. Also, the SRC subsidizes some of the Network's operating expenses, which may violate provisions of the Missouri Constitution. The SRC contracts with the Network to provide community outreach and the development of natural supports. Contract expenditures totaled approximately \$69,800 and \$46,700 for the years ended June 30, 2005, and 2004, respectively.

The Network is a not-for-profit corporation located on the grounds of the SRC. According to the articles of incorporation, the Network was established in 1976 to encourage the achievement of maximum potential for independence, productivity, integration and inclusion for persons with disabilities, and to provide unity and strength for parents and organizations dealing with persons with disabilities throughout southwest Missouri. The Network also operates a warehouse under the Recovering Wishes for Families (RWfF) program which is a program to supplement family resources by providing families with food, medical and cleaning supplies, equipment, paper products, and toys. The RWfF warehouse is not located on SRC grounds. We reviewed the contract terms, monthly billings, and supporting documentation and noted some concerns.

- A. The SRC does not evaluate or monitor the Network's performance annually as required by the contract. The contract with the Network indicates that the regional center will annually evaluate the Network's performance in meeting goals such as developing support groups, providing trainings, educating families, and developing awareness about disabilities.

Further, the regional center does not ensure the Network is in compliance with contract terms. Examples include:

- The Network does not maintain documentation to support the specific clients served or the service provided. Contract terms require the Network to maintain and submit client and service specific information. Instead, payments to the Network were based on invoices that included the total number of hours worked by its employees. Further, the regional center does not obtain timesheets to verify the accuracy of the hours billed. We obtained timesheets for select billings to the regional center and found the Network was billing the regional center for vacation time taken by Network employees. The contract states that only the time spent providing services to the client is billable.

- Contract terms indicated the SRC would pay the Network to provide a maximum of 1,300 hours for development of natural supports totaling \$14,989 for the year ended June 20, 2005. We found the Network billed the regional center for 1,880 hours of development of natural supports totaling \$21,676. The time spent picking up donated items and opening the RWfF program warehouse to clients was billed to the regional center as development of natural supports.

Annual reviews of the Network's performance are necessary to measure and track their progress toward achievement of goals. Close monitoring of contracts and detailed documentation of services provided is necessary to ensure compliance with contract terms and evaluate the reasonableness of payments for services rendered. The regional center should review the billings submitted by the Network and seek recoupment of amounts improperly billed.

- B. The SRC subsidizes some of the operating expenses of the Network. This practice does not appear to be appropriate and may violate provisions of the Missouri Constitution. The regional center provides the Network with office space at the regional center and in the past has paid for some utilities incurred at the RWfF warehouse operated by the Network. The regional center paid for trash service at the warehouse costing approximately \$132 per month until August 2004 and phone service costing approximately \$300 per quarter until June 2004. Article III, Sections 38 and 39 of the Missouri Constitution, prohibits state agencies from making donations to not-for-profit corporations.

WE RECOMMEND Regional Center management:

- A. Develop procedures to evaluate the Network's performance annually to measure and track their progress toward achievement of goals; require detailed documentation of the services provided to ensure payments are reasonable and in compliance with contract terms; and review the billings submitted by the Network and, where appropriate, seek recoupment of amounts improperly billed.
- B. Discontinue the practice of subsidizing the operations and activities of the Network and consider requesting reimbursement from Network funds for past subsidies.

AUDITEE'S RESPONSE

The SRC and the DMH provided the following response:

We agree. The SRC has, since the family organizations inception, housed the Network in the building to enhance family education and involvement and consumer/family driven

services. Reasonable charges are being researched based on the cost incurred for shared office space in other state settings. All other subsidies ceased some time ago. The SRC is in the process of revising the Network contract to better reflect the nature of services purchased by redefining service definitions and clarifying documentation requirements for billing. Recoupment of those funds billed inappropriately will be reviewed by the accounting department and discussed with the agency as to how to do so. The QMT will monitor billing and documentation monthly and provide support to the agency for the new processes.

8. Non-Appropriated Funds System Procedures

Monthly bank reconciliations for the Non-Appropriated Funds System (NAFS) account are not performed timely and were not accurate. In addition, regional center personnel do not verify that disbursements are properly recorded in client accounts, and numerous client accounts exceeded the maximum allowable balance. Further, the accounting duties related to a dedicated account are not adequately segregated.

Regional center client monies, such as income and benefits, are deposited into a fiduciary checking account. These monies are used to pay for such things as care, treatment, and personal items for clients. All client transactions and balances are recorded and maintained in the NAFS. Our review of these records noted the following concerns:

- A. Monthly bank reconciliations for the NAFS account are not performed timely. Upon our request, the June 30, 2005 bank reconciliation was completed in October 2005. The balance of this account was \$353,390 at June 30, 2005. The bank reconciliation contained numerous errors and adjustments. Concerns from our review of the reconciliation include:
- Some monies received were not properly recorded in the accounting software program. For example, receipts totaling \$4,610 had been received but not yet recorded. Several of these receipts had been received several months prior to June 30, 2005.
 - Occasionally reversals and adjustments to receipts and disbursements are required in the accounting system to correct errors. We noted several reversals and adjustments posted to the system that did not have adequate documentation explaining why the entries were made. For example, one adjustment was apparently made to the bank reconciliation to account for a deposit of \$1,964 that had been entered into the accounting software program three times.
 - There were numerous errors in the calculation of outstanding checks. For example, the outstanding check listing had the amount of one

outstanding check as \$150 when the actual amount of the check was \$583. In other instances, some outstanding checks included on the listing were not valid outstanding checks.

- Numerous adjustments totaling \$2,715 were made to the bank reconciliation for voided checks.

The SRC was experiencing difficulties reconciling the bank statement due to the implementation of a new accounting software program; however, inadequate records and procedures inhibit the regional center's ability to effectively monitor and manage the clients' funds. Without maintaining accurate records of the bank account balance and preparing accurate monthly bank reconciliations, there is little assurance that cash receipts and disbursements have been properly handled and recorded or that bank or book errors will be detected and corrected in a timely manner.

- B. Regional center personnel do not verify that disbursements are properly recorded in client accounts. For example, we noted a check totaling \$105 was sent to a client yet the disbursement was recorded in another client's account. Verification of disbursements is necessary to ensure deductions from client accounts are accurate and valid.
- C. Numerous client accounts exceeded the maximum allowable balance. Regional center policy requires action to be taken when a client's balance exceeds \$750 so that client benefits are not jeopardized. A report of client balances indicated that 184 of the 319 reached or exceeded the maximum balance at June 30, 2005. Of these accounts, 100 clients had balances exceeding \$1,000. Some of these client balances also exceeded the maximum at other times during the year. In addition, there was no documentation to support that any actions were taken to reduce many of the client balances. Adequate monitoring of client balances is necessary to ensure client benefits are not jeopardized.
- D. The SRC opened an account in January 2005 called the Dedicated Account. This account is used to hold large lump sum payments made to clients from the Social Security Administration (SSA) and the payments that can be made from this account are restricted by the SSA. At June 30, 2005, the balance of this account totaled approximately \$17,400. During our review of the dedicated account, we noted the accounting duties related to this account are not adequately segregated. One clerk is primarily responsible for receiving monies, preparing checks and deposit slips, preparing bank reconciliations, and maintaining the accounting records.

Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately safeguarded. Internal

controls would be improved by segregating the duties of receiving and depositing receipts from recording and reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the records should be performed and documented.

WE RECOMMEND Regional Center management:

- A. Prepare complete and accurate bank reconciliations monthly and investigate any differences on a timely basis. Also, management should ensure any unidentified differences are investigated and resolved on a timely basis, and ensure documentation is maintained to support any adjustments made to the accounting records.
- B. Implement oversight procedures to verify that disbursements are properly applied to client accounts.
- C. Develop procedures to monitor client account balances and ensure proper action is taken to reduce the balances when necessary.
- D. Ensure duties are adequately segregated, or perform and document periodic reviews of the accounting records maintained and reconciliations prepared.

AUDITEE'S RESPONSE

The SRC and the DMH provided the following response:

We agree. The SRC/Joplin Regional Center consolidated accounting department has limited staff and resources. We are currently in the process of replacing staff and reorganizing job duties to complete cross training and provide improved checks and balances to ensure adequate segregation of duties, complete and accurate bank reconciliations, investigation of any differences on a timely basis and to ensure timely documentation is maintained to support any adjustments made to the accounting records. The accounting department currently reviews requests for accuracy and funding. Each request is reviewed/signed by the staff supervisor and regional center administration to ensure the purchase is appropriate. Check signers also review completed checks with documentation to ensure checks are correct. The SRC accounting department and QMT have processes to review consumer accounts. A report is run once a month and distributed to staff showing every account over \$750.00. The staff has a designated time to inform accounting if the consumer has needs for the additional monies. If the accounting department does not receive any response to the listing, the extra monies are applied to the consumer's care costs. The QMT reviews a sample annually.

The SRC provided funding in excess of the maximum allowed by the Choices for Families (CFF) program and did not document the District Deputy Director's approval of the additional funding. In addition, monthly bank reconciliations for the Choices account are not performed timely.

The CFF program provides financial assistance to eligible families so they can better meet the special needs of any developmentally disabled individuals who reside within their home. The purpose of the program is to prevent or delay out-of-home placement of clients and to empower family members as the primary decision makers for obtaining the goods and services needed by the individual. During our review of the CFF program, we noted the following concerns:

- A. The SRC provided funding in excess of the maximum allowed by the CFF program and did not document the District Deputy Director's approval of the additional funding. For example, excess funding of \$2,595 was provided to an eligible family without any documented approval. Program guidelines clearly state that no family shall receive more than \$3,600 annually, unless approved by the District Deputy Director.
- B. Monthly bank reconciliations for the Choices account are not performed timely. We noted the bank statement for June 2005 had not been opened or reconciled upon our request in August 2005. The balance of this account was \$36,021 at June 30, 2005. Monthly bank reconciliations are necessary to ensure the bank account is in agreement with the accounting records and to detect and correct errors on a timely basis.

WE RECOMMEND Regional Center management:

- A. Ensure that the maximum assistance allowed for the CFF program does not exceed \$3,600 without the appropriate approvals.
- B. Perform monthly bank reconciliations on a timely basis.

AUDITEE'S RESPONSE

The SRC and the DMH provided the following response:

We agree.

10.

Training Services

The SRC contracted with a former employee to provide training services without any consideration of other individuals or firms that might be able to provide this service. The regional center paid this individual approximately \$13,900 for training services during the year ended June 30, 2005. Further, the individual providing training services did not submit or maintain adequate documentation to support the training services provided. Thus, payments made to the individual were not supported by adequate documentation. Instead, payments to the individual were based on invoices that included only the total number of hours worked by the individual at the contracted rate of pay and did not include a description of the training services provided. Contract terms allowed the individual to bill SRC for a maximum of \$30,014 annually and required the individual to provide a description of the service provided.

Procurement and selection processes are necessary to ensure the regional center is receiving the best services and rates. The process should include soliciting proposals and evaluating these proposals for technical experience, capacity and capability of performing the work, and past record of performance. Also, close monitoring of contracts and requiring detailed documentation of services provided is necessary to ensure compliance with contract terms and evaluate the reasonableness of payments for services rendered.

WE RECOMMEND Regional Center management periodically solicit proposals for the selection of training service providers. Also, detailed documentation of the services provided should be required to ensure payments are reasonable and in compliance with contract terms.

AUDITEE'S RESPONSE

The SRC and the DMH provided the following response:

We agree. It should be noted, however, that we believe the job performance and documentation of such by the Training staff cited in the audit was sufficient for the purpose and was the only viable option at the time of hire. The contractor who provided training, tracking, and documentation for the Center retired December 2005. Should a contracted provider be sought in the future it will be for specific trainings and specific documentation will be done by the contractor and the responsible RC staff.

11.

Payroll Documentation

The SRC employed approximately 72 employees as of June 30, 2005, assigned to various administrative, service, and support sections. The regional center does not always maintain written documentation authorizing an employee's current

position and pay rate. We reviewed six employee files and found there was not written authorization for any of the applicable employee's current position and pay rate. The payroll clerk indicated that normally supervisors advise her of any changes in an employee's position and pay rate by phone.

To ensure adequate documentation is maintained to support employee salaries, written documentation should be maintained to authorize an employee's current position and pay rate.

WE RECOMMEND Regional Center management ensure written authorization in maintained to support any changes in an employee's position and pay rate.

AUDITEE'S RESPONSE

The SRC and the DMH provided the following response:

We agree. SRC is developing a standard statement to be put in each person's record to support any such changes in position and pay rate.

12. Management of Donations

During our audit of the SRC, we became aware of serious weaknesses over the management and accountability of donations made to the regional center. A separate report issued by the State Auditor's Office in December 2005, Report No. 2005-102, disclosed that donations of property with an estimated value of at least \$222,313 were made to the SRC but not accounted for properly and noted numerous internal control weaknesses, lack of accountability over distributions of donated property, and ineffective management oversight. Recommendations concerning internal controls and accounting records related to the donations and the SRC's and the DMH's responses were included in that report and are not included in this report.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

DEPARTMENT OF MENTAL HEALTH
SPRINGFIELD REGIONAL CENTER
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

The Springfield Regional Center (SRC) is one of eleven regional centers established by the Department of Mental Health. The facility was established to provide, procure, or purchase comprehensive services for individuals with developmental disabilities such as mental retardation, cerebral palsy, head injuries, autism, epilepsy and certain learning disabilities. The facility serves eligible citizens in the Southwest Missouri counties of Christian, Dallas, Douglas, Greene, Hickory, Laclede, Ozark, Polk, Stone, Taney, Webster and Wright. The facility's operations began in June 1967.

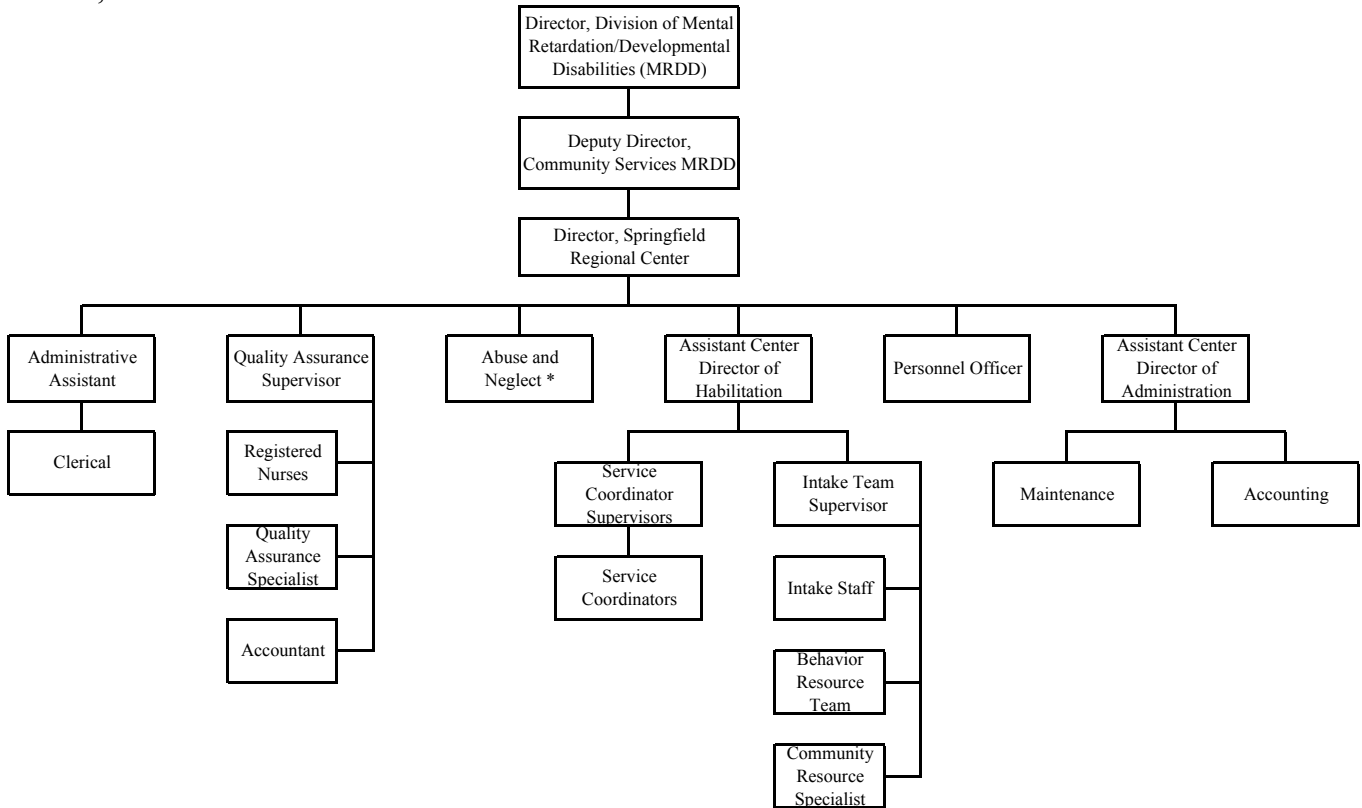
The facility serves as the entry and exit point for securing comprehensive mental retardation and developmentally disabled services for clients of the Department of Mental Health whose parents or guardians reside in the region identified above.

The facility is a focal point from which a developmentally disabled individual and family are directed to all essential services required to meet the needs of the client. The facility's staff, working in cooperation with the family, area organizations, state-operated habilitation centers, community placement facilities, and other service vendors, plans and provides for lifetime services to meet the needs of the clients. As of June 30, 2005, the facility had an active caseload of approximately 1,992 clients and employed approximately 72 personnel assigned to various administrative, service, and support sections.

At June 30, 2005, Anthony A. Casey Jr. served as Director of the Division of Mental Retardation and Developmental Disabilities. Mr. Casey resigned as Division Director effective August 31, 2005, and Kent Stalder served in the capacity of Acting Division Director until March 27, 2006. Mr. Stalder had previously served as the Deputy Division Director for Community Services and was responsible for supervising operations of the SRC and all other regional centers. Linda Roebuck is currently serving as the Interim Division Director. Sandra Wise is currently serving as Acting Deputy Division Director for Community Services. Diana Garber serves as Springfield Regional Center Director.

An organization chart and statistical data follow:

DEPARTMENT OF MENTAL HEALTH
 SPRINGFIELD REGIONAL CENTER
 ORGANIZATION CHART
 JUNE 30, 2005



* Supervision of the Abuse and Neglect employees transferred to the Director, Division of MRDD on September 16, 2005.

Appendix A

DEPARTMENT OF MENTAL HEALTH
 SPRINGFIELD REGIONAL CENTER
 COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	2005			2004		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
Personal Service	\$ 1,687,596	1,605,542	82,054	1,583,186	1,544,806	38,380
Expense and Equipment	333,407	260,324	73,083	572,121	567,410	4,711
Total General Revenue Fund	\$ 2,021,003	1,865,866	155,137	2,155,307	2,112,216	43,091

Note: The appropriations presented above are used to account for and control the facility's expenditures from amounts appropriated to the facility by the General Assembly. The facility administers transactions from the appropriations presented above. However, the State Treasurer, as fund custodian, and the Office of Administration provide administrative control over the fund resources within the authority prescribed by the General Assembly. This schedule does not represent all expenditures of the facility. Some expenditures relating to state facilities are charged to department-wide appropriations and are not identified by facility. Expenditures charged to department-wide appropriations that are identified to Springfield Regional Center are noted in Appendix B.

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,	
	2005	2004
Administrative Hearing Commission -		
Personal Service	\$ 82,054	38,379
Expense and Equipment	73,082	4,700
	\$ 155,136	43,079

Appendix B

DEPARTMENT OF MENTAL HEALTH
 SPRINGFIELD REGIONAL CENTER
 COMPARATIVE STATEMENT OF EXPENDITURES (FROM APPROPRIATIONS)

	Year Ended June 30,			
	2005		2004	
	Expenditures From Facility Appropriations	Expenditures From Department-Wide Appropriations For SRC	Expenditures From Facility Appropriations	Expenditures From Department-Wide Appropriations For SRC
Salaries and Wages	\$ 1,605,542	560,543	1,544,806	565,800
Travel, In-State	6,232	2,956	8,095	0
Travel, Out-Of-State	118	0	0	0
Fuel and Utilities	1,205	19,550	0	20,233
Supplies	37,963	4,334	52,273	191
Professional Development	503	65	208	0
Communication Service and Support	26,249	10,789	29,003	14,455
Professional Services	125,598	14,487	425,437	119,001
Housekeeping and Janitorial Services	3,309	765	4,365	0
Maintenance and Repair Services	16,559	2,990	19,175	0
Computer Equipment	2,874	52	4,396	0
Office Equipment	23,583	762	4,576	0
Other Equipment	5,488	59	9,181	0
Property and Improvements	9,781	15,787	8,945	29,348
Building Lease Payments	0	8,525	0	8,450
Equipment Rental and Leases	857	267	1,315	0
Miscellaneous Expenses	5	0	441	0
Program Distributions	0	20,436,358	0	19,440,860
Total Expenditures	\$ 1,865,866	21,078,289	2,112,216	20,198,338

Appendix C

DEPARTMENT OF MENTAL HEALTH
SPRINGFIELD REGIONAL CENTER
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH BALANCES - CLIENT FUNDS (FROM NON-APPROPRIATED FUNDS)

	Year Ended June 30,	
	<u>2005</u>	<u>2004</u>
Cash Balance, July 1	\$ 307,052	282,839
Receipts	2,414,604	2,201,833
Disbursements	2,361,096	2,177,620
Cash Balance, June 30	\$ <u>360,560</u>	<u>307,052</u>

Appendix D

DEPARTMENT OF MENTAL HEALTH
 SPRINGFIELD REGIONAL CENTER
 COMPARATIVE STATEMENT OF MENTAL HEALTH TRUST FUND RECEIPTS,
 DISBURSEMENTS, AND CASH BALANCES (FROM SENATE BILL 40 TAX)

	Year Ended June 30,	
	<u>2005</u>	<u>2004</u>
Cash Balance, July 1	\$ 52,625	291,990
Receipts	628,251	530,068
Disbursements	648,953	769,433
Cash Balance, June 30	\$ <u>31,923</u>	<u>52,625</u>

Note: Vendors of the Springfield Regional Center provide services to numerous clients who are also affiliated with the surrounding counties' Senate Bill 40 Boards. The costs of these services are initially paid by the state's Medicaid program. The receipts in the schedule above represent reimbursements made by the various Senate Bill 40 Boards for a percentage of the cost. The disbursements represent the Springfield Regional Center's match, which is paid to the state's Medicaid program.