

Provider CPA Findings – Consumer Funds Fiscal Year 2019

CONSUMER PERSONAL FUNDS

Bank Reconciliations

1. One consumer's bank reconciliation for August 2018 did not have a date when reconciled. We were unable to determine if it was reconciled within the 20 business days.
2. We noted three consumers' bank reconciliations were performed outside the given timeframe.
3. The collective bank statement for November was reconciled on January 8th, which is greater than 20 days.
4. Two consumers' bank reconciliations for April 26, 2019, bank statements were reconciled on May 31, 2019.
5. Three consumers' bank reconciliations for October 2018, January 2019, and April 2019 did not have the reconciliation date or reconciler's signature, so were unable to determine if they were reconciled within 20 business days.

Bank Signature Cards

1. A copy of the commercial bank signature card is not on file in the consumer's permanent files.

Cash on Hand

1. The balance for one consumer exceeded the \$50 limit.
2. For one consumer, there were two occasions when cash on hand exceeded \$50 - \$53.10 on November 8 and \$60 on December 6.
3. Scanned all twelve months of the 2 residential consumers' petty cash logs. There was one exception noted where a deposit to petty cash caused the cash on hand balance of one of the consumers to exceed \$50 by \$0.46 during one month.
4. There was one instance where a consumer's cash on hand log was not on file for October 2018.
5. We determined that several consumers had Residential Support Plans [Financial Plans] allowing for cash on hand amounts in excess of \$50. We noted that one consumer's financial plan requires that cash on hand not exceed \$150. However, her brother gives her money for spending. No allowance is recorded in the cash on hand sheets and no disbursements are recorded. No one ever knows how much money she keeps on her person. We feel this does not coincide with her financial plan and her money is not safeguarded by not being held as cash on hand. The money is never accounted for by any supervisory staff member.
6. For one (1) of twenty-five (25) consumers, cash on hand exceeded \$50.
7. We noted the one consumer's financial plan indicated that Cash on hand for this person should not exceed \$50, however, this consumer's documented cash on hand balance exceeded \$50 a few times during the period tested. The excess funds were less than \$5 on each occurrence.
8. One consumer's cash on hand exceeded \$50 in November 2018. A second consumer's cash on hand exceeded \$50 in January 2019.

Cash on Hand – Reconcilements

1. There was an instance where the cash on hand ledger was not reconciled monthly for one of the consumers selected.

Provider CPA Findings – Consumer Funds Fiscal Year 2019

2. One consumer had counts and reconciliation of cash on hand ledgers performed by individuals who are able to sign checks during October 2018 and January 2019. Also, this consumer's cash on hand ledger was not reconciled in April 2019. A second consumer had counts and reconciliation of cash on hand ledgers performed by individuals who are able to sign checks during October 2018 and January 2019. Also, this consumer's cash on hand ledger was not reconciled in April 2019. A third consumer had counts and reconciliation of cash on hand ledgers performed by individuals who are able to sign checks during January 2019. Also, this consumer's cash on hand ledger was not reconciled in October 2018.
3. For one consumer selected, the cash ledger provided did not appear to count for all funds received through personal spending. There were several weekly spending checks received by the consumer that were not shown in the ledger as deposits. Additionally, there were several weeks between ledger entries.
4. One consumer had no count of the cash on hand ledger in September 2018. A second consumer had no count of the cash on hand ledger in September or December 2018.
5. We noted one monthly cash on hand report was not signed by staff. Presently, that cash on hand ledger has been signed.
6. The counts of consumers' cash held by residential staff are being performed monthly by house managers, who have authority to receive and disburse cash.
7. For five (5) of twenty-five (25) consumers, monthly count was not performed for select months.
8. One consumer's cash on hand ledger for October, January, and April did not have dates on the counts. We are unable to verify when the reconciliation was done. This was caused by multiple vacancy issues with Coordinator.
9. One consumer's cash on hand ledger had a gap in count from February, 2, 2019, to April 5, 2019. The consumer gap in count occurred since the employee that reconciles had to be out for a family emergency. The cash on hand was counted and reconciled to the ledger once the staff returned from the family emergency.
10. One consumer's ledger in June did not have any reconciliation signatures or date, so we were unable to determine if it was reconciled for this month.

Cash Transactions

1. Of the 25 disbursement selected, one check was identified as being written to "Cash."
2. One consumer had two withdrawal receipts in July. Also, this consumer had a deposit of \$200 for October 4th and January 4th, but \$30 was withdrawn from the check as cash. Additionally, this consumer had a deposit of \$200 for April 5th, but \$50 was withdrawn from the check as cash. The consumer did sign the deposit slip to allow for cash to be received. A second consumer had a deposit of \$200 for January 4th, but \$30 was withdrawn as cash. Additionally, this consumer had a deposit of \$200 for April 5th, but \$50 was withdrawn from the check as cash. The consumer did sign the deposit slip to allow for cash to be received. A third consumer had a deposit of \$200 for October, but \$30 was withdrawn from the check as cash. Additionally, this consumer had a deposit of \$200 for April 5th, but \$50 was withdrawn from the check as cash. This consumer did sign the deposit slip to allow for cash to be received. A fourth consumer had a deposit of \$215 for January 25th, but \$40 was withdrawn from the check as cash. Additionally, this consumer had a deposit of \$200 for April 5th, but \$50 was withdrawn from the check as cash. This consumer did sign the deposit slip to allow for cash to be received.

Provider CPA Findings – Consumer Funds Fiscal Year 2019

Co-Mingling/Borrowing of Consumer Funds

1. One consumer in the sample lives in Unit 413B. Check 887 was written from the consumer's account to Duke Power on 01/07/19 to cover utilities for apartment 413A. It appears that power bills for two consumers were switched, resulting in the consumer paying \$3.33 less than he should have. Additionally, one consumer's balance went negative at one point by \$2.34 – this indicates the consumer "borrowed" funds from other consumers in the collective account.

Co-Signatures

1. For one consumer selected in the sample, one check tested was not signed by the consumer and another check selected was not signed by staff. For another consumer selected, one check was not signed by staff.
2. We noted three instances where consumers did not sign checks.
3. We noted that one check out of two hundred and thirty-four we reviewed that did not have two signatures. It was signed by the cosigner only.
4. For one consumer in the sample, several checks were not co-signed by staff. For another consumer in the sample, several checks contained dual signatures but neither of those signatures were that of the consumer.
5. We noted that three of the eighty-eight checks we reviewed were not signed by the consumer.
6. There were two instances where requests for withdrawals from the consumer's account were not on file.
7. We noted six instances where checks did not contain an authorized co-signature.
8. Of the 25 disbursements selected, one disbursement in the form of a check was noted as only having one signature. It did not have the two required signatures.
9. One consumer had one check that did not have the required co-signature of facility or program director or his or her designee.
10. We noted one check that was not cosigned by staff for consumer.
11. We noted that three of the two hundred and seventy-one checks we reviewed did not have two signatures.

Deposits

1. One of the SLP II consumers we selected had their January 11, 2019, paycheck deposited on January 24 and their March 8 paycheck deposited on March 22. Additionally, for a CTH II consumer selected, a check from the prior provider was dated January 10 and deposited March 1. We were unable to determine when the check was received by the DSN Board.
2. One consumer had deposits on September 18 and June 13 that we are unable to determine when the income was received. A second consumer had a deposit on September 6 and 28 that we are unable to determine when the income was received.
3. There was one instance where a consumer's bank statements for a personal account were not on file; we were unable to determine if the check was deposited within five business days of receipt.
4. One of the ninety deposits we reviewed was not made within five business days.
5. We noted that two consumers had deposits that appeared to be made after the five-day window.

Provider CPA Findings – Consumer Funds

Fiscal Year 2019

6. One consumer received three checks in March 2019, however, we were unable to determine if they were deposited within 5 business days of receipt. A second consumer received a check in April 2019; however, we were unable to determine if they were deposited within 5 business days of receipt.
7. One consumer had a deposit on September 19th with a check date of September 8th. We were unable to determine if this deposit was deposited within 5 business days.
8. One consumer had a deposit on July 11th that was not deposited within five business days. The Board documented the issue, retrained the caregiver regarding the five day deposit requirement, and then the Board setup direct deposit with the consumer's employer to prevent a future delay.
9. One consumer had a deposit on January 4th with the check written to the consumer on December 24th. Also, this consumer had a deposit on April 5th with the check written to the consumer on March 25th. We were unable to determine when the checks were received, so we cannot verify if they were deposited within 5 business days. A second consumer had a deposit on July 11th with the check written to the consumer on June 27th. Also, this consumer had a deposit on October 4th with the check written to the consumer on September 25th. Additionally, this consumer had a deposit on January 4th with the check being written to the consumer on December 24th. Finally, this consumer had a deposit on April 5th with the check written to the consumer on March 25th. We were unable to determine when the checks were received, so we cannot verify if they were deposited within 5 business days. A third consumer had a deposit on July 11th, with the check written to the consumer on June 27th. Also, this consumer had a deposit on October 4th with the check written to the consumer on September 25th. Additionally, this consumer had a deposit on January 11th with the check written to the consumer on December 24th. Finally, this consumer had a deposit on April 5th with the check written to the consumer on March 25th. We were unable to determine when the checks were received, so we cannot verify if they were deposited within 5 business days. A fourth consumer had a deposit on April 5th with the check written to the consumer on March 25th. We were unable to determine when the checks were received, so we cannot verify if they were deposited within 5 business days.

Establishment of Bank Account

1. One consumer's bank accounts are set up in the consumer's name and the Administrator.

Fidelity Bond

1. The Provider maintained a \$75,000 employee bond. The employee bond appears to be inadequate for the number of consumers having their funds managed by the Provider.
2. The Board maintained a \$56,000 employee bond. The employee bond appears to be inadequate for the number of consumers having their funds managed by the Provider.

Medicaid Limits

1. One consumer had a bank account balance and a reconciled balance that was in excess of \$2,000 during March 2019, we were unable to determine their eligibility for a higher resource limit based on the documentation provided.
2. Total cash assets exceeded the established limit prescribed by Medicaid for two consumers tested.
3. We discovered two consumers whose total cash assets exceeded the \$2,000 limit. One consumer had total cash assets that exceeded the limit for four months. The other consumer had cash assets that exceeded the limit for the entire year.

Provider CPA Findings – Consumer Funds

Fiscal Year 2019

4. We found one instance throughout the fiscal year where one of the consumer's asset balance exceeded the established limit of \$2,000.
5. We found that the cash balances for two consumers exceeded the \$2,000 limit during September 2018. However, the cash balances for the two consumers did not continue to exceed the \$2,000 limit after September 2018. Through proper cash management, the Organization was able to lower the cash balances for the two consumers. The organization made appropriate purchases on behalf of the consumers for such things as clothing, food, and entertainment for the consumers.
6. Five (5) consumers had cash in the bank in excess of the established limits mandated by Medicaid for the month tested.
7. Specifically, for four consumers tested, consumers received retroactive social security income ("SSI") that caused consumers to go over \$2,000 threshold. The SSI retroactive pay came with terms that the balance be spent down to the \$2,000 threshold within a certain time frame.
8. One consumer's total cash assets exceeded the established limits mandated by Medicaid in August, September, April, May, and June.
9. Six consumers had bank balances in excess of \$2,000 (Medicaid prescribed limit) for the months chosen in the sample.
10. We noted that total cash assets for one consumer exceeded the established limits proscribed by Medicaid for each of the four months selected for testing. We noted a second consumer that total cash assets exceeded the established limits proscribed by Medicaid for each of the four months selected for testing.
11. Of the 25 consumers sampled, four had a balance exceeding the general Medicaid limit of \$2,000 at month-end. An additional sample of 36 consumers was selected, of which 17 had a balance exceeding the general Medicaid limit of \$2,000 at month-end.
12. One consumer's total cash assets exceeded the established limits mandated by Medicaid in August, September, October, December, January, April, and May. A second consumer's total cash assets exceeded the established limits mandated by Medicaid in March and April. A third consumer's total cash assets exceeded the established limits mandated by Medicaid in September and October.
13. One consumer's total cash assets exceeded the established limits mandated by Medicaid in March and April. The individual had received back pay from Social Security of \$3,000 on March 11, 2019. The board did a called team meeting to determine how to spend the money down. A second consumer's total cash assets exceeded the established limits mandated by Medicaid in November 2018 to March 2019. The consumer moved from a CTH house to an ICF home in November 2018. The board contacted Social Security but had a great deal of difficulty getting them to change. The consumers' funds had to be maintained since they were going to be required to return the funds to Social Security. Social Security contacted the board in mid-February and the board wrote the consumer's check to Social Security on February 15th.
14. One consumer's total cash assets exceeded the established limits mandated by Medicaid in April and May 2019.
15. One consumer's total cash assets exceeded the established limits mandated by Medicaid in October through December 2018. A second consumer's total cash assets exceeded the established limits mandated by Medicaid in April through June 2019.
16. One consumer's total cash assets exceeded the established limits mandated by Medicaid in March 2019, April 2019, May 2019, and June 2019.

Provider CPA Findings – Consumer Funds Fiscal Year 2019

17. For six (6) consumers, the total cash assets exceeded the limit mandated by Medicaid.
18. For four (4) of twenty-five (25) consumers, the total cash assets exceeded the limit mandated by Medicaid.

Receipts

1. One of the two hundred and thirty-four purchases we reviewed did not have proper supporting documentation.
2. We were unable to determine how the monthly spending money for one consumer in the sample was handled, as the cash on hand ledger was not provided.
3. For one consumer, the Duke Energy bill of \$41.18 was paid on July 24, but was due on July 16. On the next bill, paid on August 9, staff paid \$41.18 again, as it was shown as past due on the statement, as well as current due of \$78.40. This resulted in the consumer paying the bill twice. For another consumer, there was no documentation in the file for four purchases totaling \$523.97. Additionally, one consumer has two credit cards. For the Capital One card, the statement page with the purchase detail is not being retained. For the Chase card, the first page showing the account balance and payment due is not being retained. Additionally, receipts are not being retained for any of this consumer's credit card purchases.
4. There were three instances where receipts for non-incidentals purchases were not on file.
5. Of the 25 disbursements selected, one disbursement did not have a receipt or other supporting documentation.
6. All checks are written to the consumer. The consumers have home visits and do not always return receipts. The funds being taken out are not being tracked on the cash on hand ledger, so we were not able to accurately test the receipts. The Provider does provide the consumer a summary of cash going in and out of the cash on hand and bank each quarter.