

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
July 26, 2016
“Communications Received and Filed” Item

To: Board of Supervisors
From: Department of Finance
Subject: Fiscal Monitoring Report Of National Council On Alcoholism And Drug Dependence, Inc., Sacramento Region Affiliate (NCADD) For The Periods July 1, 2013 Through February 28, 2015

Supervisory
District: All

Contact: Ben Lamera, Assistant Auditor-Controller, 874-7450

RECOMMENDATION

Receive and file the attached agreed upon procedures report, *Fiscal Monitoring Report Of National Council On Alcoholism And Drug Dependence, Inc., Sacramento Region Affiliate (NCADD) For The Periods July 1, 2013 Through February 28, 2015.*

Respectively submitted,

Ben Lamera
Interim Director of Finance

Attachment 1, Fiscal Monitoring Report Of National Council On Alcoholism And Drug Dependence, Inc., Sacramento Region Affiliate (NCADD) For The Periods July 1, 2013 Through February 28, 2015

Internal Services
Department of Finance
Auditor-Controller Division



County of Sacramento

Navdeep S. Gill,
Interim County Executive

David Villanueva,
Chief Deputy County Executive

Ben Lamera,
Assistant Auditor-Controller

Ben Lamera,
Interim Director of Finance

April 27, 2016

Sherri Z. Heller, Ed. D., Director
Department of Health and Human Services
7001-A East Parkway, Suite 1100
Sacramento, CA 95823

**ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Dear Dr. Heller:

We have performed the procedures enumerated below, which were requested and were agreed to by you to evaluate National Council on Alcoholism and Drug Dependence, Inc., Sacramento Region Affiliate (NCADD)'s fiscal compliance as outlined in the contractual agreements (Agreements) listed below, for the periods July 1, 2013, through February 28, 2015:

- Revenue Agreement No. 7206000-14-023R for the period from July 1, 2013 to June 30, 2014
- Negotiated Rate Agreement No. 7206000-14-022 A2 for the period from July 1, 2013 to June 30, 2014
- Negotiated Rate Agreement No. 7206000-15-022 A1 for the period from July 1, 2014 to February 28, 2015

This agreed-upon procedures engagement was conducted to assist the Department of Health and Human Services (DHHS) to assess NCADD's financial condition and comply with Section 200.331 (d) of the Title 2 Code of Federal Regulations (2 CFR) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

DHHS' management is responsible for monitoring NCADD's fiscal compliance of the Agreements in accordance with the Section 200.331 (d) "*Monitor the activities of the subrecipient [NCADD] as necessary to ensure that the subaward [Agreements] is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward [Agreements]... ..*"

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency

of the procedures is solely the responsibility of DHHS' management. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. This report is applicable solely to the Agreements referred on the previous page and is not intended to pertain to any other contract agreements of DHHS.

The procedures we performed for the Agreements and our findings were as follows:

- 1) Financial Statements – We reviewed NCADD's audit reports for fiscal years ended June 30, 2013 and 2014 and interim financial statements for 8 months ended February 28, 2015, to identify any concerns or issues that require attention.

Finding: We noted several issues as a result of our procedures. See Attachment I, *Findings and Recommendations*.

- 2) Internal Control - We reviewed the NCADD's internal control policies and procedures including purchasing, vendor payments, payroll, claim submission, cost allocation, general ledger, and financial report preparation.

Finding: We noted that NCADD did not have written policies for purchasing and claim submission. See Attachment I, *Findings and Recommendations*.

- 3) Claim Submission – We obtained and reviewed NCADD's monthly invoice claims for July 2013, March 2014, August 2014, and September 2014. We selected a sample of a total of 100 transactions from invoice claims for July 2013, March 2014, August 2014, and September 2014. We traced these transactions to the supporting documentation. We also identified any non-compliance from these transactions.

Finding: We noted differences from NCADD's monthly invoice claims to the monthly invoice claims' summary supporting documentations. We further noted that several transactions selected for testing either did not meet the compliance requirements per the Agreements or did not have adequate supporting documentation. See Attachment I, *Findings and Recommendations*.

- 4) Funding Sources – We made inquiries to NCADD's management to identify any funding sources other than DHHS. We reviewed NCADD's general ledger, invoices, and other documents to identify any inappropriate or duplicated charges.

Finding: We did not note any issues that required attention as a result of our procedures.

We were not engaged to, and did not perform an audit or examination, the objectives of which would be the expression of opinions on NCADD's financial statements or schedules or compliance for aforementioned programs. Accordingly, we do not express such opinions. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Sherri Z. Heller, Ed. D., Director

April 27, 2016

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DHHS' responses to the findings identified during our engagement are described in Attachment I, *Findings and Recommendations*. We did not perform procedures to validate DHHS' responses to the findings and, accordingly, we do not express opinions on the responses to the findings.

This report is intended solely for the information and use of the Sacramento County Board of Supervisors, Sacramento County Executive, DHHS' management, Federal awarding agencies, and pass-through entities. It is not intended to be and should not be used by anyone other than these specified parties. However, this restriction is not intended to limit distribution of this report, which is a matter of public record.

Sincerely,

BEN LAMERA
INTERIM DIRECTOR OF FINANCE



By: Alan A. Matré, C.P.A.
Chief of Audits

Enclosures

Attachment I, Findings and Recommendations
Schedule I, Schedules of Questioned Costs
Schedule II, Schedules of Differences on Monthly Claims
Schedule III, Schedules of Sessions with Inadequate Minutes/Support

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Department of Health and Human Services
National Council on Alcoholism and Drug Dependence, Inc.
Sacramento Region Affiliate
Fiscal Monitoring Review
Findings and Recommendations
For the Periods from July 1, 2013, to February 28, 2015

1. Financial Statements Review Finding

a. Audit Findings

There were two findings each in National Council on Alcoholism and Drug Dependence, Inc., Sacramento Region Affiliate (NCADD)'s audit reports for fiscal years ended June 30, 2013 and 2014. These two audit reports were both performed by the same independent auditor. All these findings were federal awards material weakness findings related to the contract agreements under review, Substance Abuse Prevention and Treatment (SAPT), passed through County of Sacramento, Department of Health and Human Services (DHHS).

The following is the summary of the 2013 federal award findings, questioned costs, and status:

- 2013-1 Allowable costs/cost principles: During the fiscal year ended June 30, 2013, a former bookkeeper embezzled funds due to lack of segregation of duties and insufficient scrutiny of petty cash disbursements. NCADD not only lost a certain amount of net assets but also risks charging unallowable costs to Federal grant programs.

Questioned Costs: Not determined by the independent auditor.

Status: The finding was repeated in the 2014 audit. See item 2014-1 of the summary of the 2014 federal award findings, questioned costs, and status on the next page.

- 2013-2 Reporting: Incomplete documentation and errors on the monthly claims submitted for reimbursement.

Questioned Costs: Not determined by the independent auditor.

Status: In the subsequent audit report for fiscal year ended June 30, 2014, the same auditor did not repeat this finding in the audit report. The auditor stated that NCADD's internal controls have been implemented to ensure consistent record-keeping and segregation of duties over the preparation and review/authorization of the monthly claim summaries. The auditor also stated that NCADD's external chief financial officer reviewed receipts. However, during our review, we noted similar conditions to this

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finding regarding to incomplete documentation and errors on the monthly claims submitted for reimbursements (see Finding No. 3a. of this attachment).

The following is the summary of the 2014 federal award findings, questioned costs, and status:

- 2014-1 Allowable costs/cost principles (Repeated Finding from previous year): During the fiscal year ended June 30, 2013 and a portion of fiscal year ended June 30, 2014, a former bookkeeper embezzled funds due to lack of segregation of duties and insufficient scrutiny of petty cash disbursements. NCADD not only lost a certain amount of net assets but also risks charging unallowable costs to Federal grant programs.

Questioned Costs: Not determined by the independent auditor.

Status: Per NCADD management response stated on the audit report, the management stated that NCADD has hired a new bookkeeper and introduced a policy to greatly reduce the number and magnitude of petty cash disbursements. NCADD management also stated that NCADD has increased scrutiny over all disbursements and recovered \$28,000 of the \$29,000 embezzled funds. However, during our review, we noted that NCADD did not have written policies and procedures for its purchasing process. See Finding No. 2b.

- 2014-2 Reporting: NCADD's audit report for the fiscal year ended June 30, 2013 had not been submitted to the Federal Audit Clearinghouse as required by U.S. Office of Management and Budget.

Questioned Costs: Not determined by the independent auditor.

Status: The audit reports for fiscal years ended June 30, 2013 and 2014 have been submitted to the Federal Audit Clearinghouse.

In addition, the independent auditor addressed a number of internal control issues in the letter to management in regards to segregation of duties, credit card transactions, internal control over disbursements, and payroll. NCADD's management stated that they have introduced policies and procedures to implement the auditor's recommendations.

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Recommendation

We recommend NCADD resolve internal control and non-compliance issues mentioned above by implementing the independent audit recommendations in a timely manner.

DHHS' Management's Response

We concur with the recommendation. NCADD reports that it is in the process of developing formal policies and procedures related to petty cash, segregation of duties, claims preparation and submission, and its purchasing process. In regards to the submittal of its audit reports to the Federal Audit Clearinghouse as required by the U.S. Office of Management and Budget, NCADD reports that it has submitted the audit reports for fiscal years ended June 30, 2013, and June 30, 2014.

b. Financial Conditions

Based on our review of NCADD's unaudited financial statements as of February 28, 2015, we have serious concerns about NCADD's financial condition as follow:

- i. NCADD had deficit spending of \$49,667 from July 2014 to February 2015 (total income \$770,374 minus total expenses \$820,041).
- ii. As of February 28, 2015, NCADD had a negative \$51,741 working capital (\$190,919 current assets minus \$242,660 current liabilities).
- iii. As of February 28, 2015, NCADD had a combined cash balance of \$20,271, but had an outstanding line of credit balance of \$80,358.

If NCADD continues to incur deficit spending, it will not have adequate current assets to meet its current obligations coming due. This financial condition will significantly affect NCADD's ability to operate its programs.

Recommendation

NCADD should monitor its financial condition in order not to continue incurring deficit spending. In addition, NCADD should develop a financial plan to improve its financial condition.

DHHS' Management's Response

We concur with the recommendation. NCADD reports that it has reduced expenditures to align with the current revenue, and is working on a financial plan to improve its financial

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position. DHHS expects a draft 60 days after this report is received and filed by the County of Sacramento, Board of Supervisors.

2. Internal Control Review Finding

a. Lack of Written Policies and Procedures for Claim Submission

During our review, we noted NCADD did not have written policies and procedures for claim submission. Proper internal controls indicate written policies and procedures should be established and implemented for claim submission to help the organization to prepare its claim invoices efficiently and accurately, prevent claim errors, and comply with laws, regulations and contract agreement requirements. As a result of no written claim submission procedures, NCADD's staff did not have written claim submission procedures to follow, and could make claim submission errors. As such, we noted differences between the amounts claimed and the backup summary reports/worksheets for the monthly claims, and the services claimed did not meet the requirements to be claimed for services provided as described in the contract agreements, see Findings Nos. 3a. and 3b, respectively.

Recommendation

We recommend NCADD establish and implement written policies and procedures for its claim submission process.

DHHS' Management's Response

See response to Finding No. 1a; NCADD reports that it is in the process of developing formal policies and procedures for its claim submission process. DHHS expects a draft 60 days after this report is received and filed by the Board of Supervisors.

b. Lack of Written Policies and Procedures for Purchasing

During our review, we noted NCADD did not have written policies and procedures for purchasing. Proper internal controls indicate written policies and procedures should be established and implemented for purchasing to help the organization meet its objectives efficiently and effectively, and to prevent risk of embezzlement and accounting errors.

Recommendation

We recommend NCADD establish and implement written policies and procedures for its purchasing process.

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DHHS' Management's Response

See response to Finding No. 1a; NCADD reports that it is in the process of developing formal policies and procedures for its purchasing process. DHHS expects a draft 60 days after this report is received and filed by the Board of Supervisors.

3. Claim Submission Review Findings

a. Monthly Claim Submission Differences

During our review, we obtained and reviewed NCADD's monthly invoice claims submitted to DHHS for July 2013, March 2014, August 2014, and September 2014. We compared each line item on the monthly invoice claims for these months to their corresponding NCADD's summary reports/worksheets. As a result, we noted differences between total amounts reported on each line item on the monthly invoice claims and NCADD's summary reports/worksheets as summarized in the table below:

Months	NCADD's Monthly Claims	NCADD's Summary Reports/ Worksheets	Differences (Rounded)	
			Over	Under
July 2013	\$ 110,344	109,788	1,463	(907)
March 2014	107,619	104,950	2,764	(95)
Total	<u>\$ 217,963</u>	<u>214,738</u>	<u>4,227</u>	<u>(1,002)</u>
August 2014	\$ 66,650	66,400	282	(32)
September 2014	87,571	87,345	351	(125)
Total	<u>\$ 154,221</u>	<u>153,745</u>	<u>633</u>	<u>(157)</u>

***Table above's line item detail is presented at Schedule II, *Schedules of Differences on Monthly Claims*.**

The above table's "over" column represents combined amounts of claims submitted to DHHS but not listed on the corresponding NCADD summary reports/worksheets. Therefore, we consider the total \$4,227 and \$633 reported in the "over" column as questioned costs.

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The above table's "under" column represents combined amounts of services listed on NCADD's summary reports/worksheets but not reported on NCADD's monthly claims.

Recommendation

We reiterate the recommendation in Finding No. 2a. In addition, NCADD should contact DHHS to develop a resolution to resolve the issue of differences between the monthly claims and NCADD's summary reports/worksheets.

DHHS' Management's Response

See response to Finding No. 2a.

b. Inadequate Minutes/Supports for Sessions Claimed on Monthly Claims

NCADD provides outpatient and day care habilitative treatment services to residents of the County of Sacramento (County). The outpatient, day care habilitative, and additional treatment services as noted in the contract agreements are noted below:

Outpatient Treatment Program

- a. Individual: Shall consist of approximately one to four, 50-minute sessions per month.
- b. Group Treatment: Shall consist of approximately four to eight, 90-minute sessions per month.
- c. Group Education: Shall consist of approximately two to four, 90-minute sessions per month.
- d. Aftercare individual: Shall consist of approximately one, 30-minute session per month.
- e. Aftercare Group: Shall consist of approximately one to two, 60-minute sessions per week.
- f. Intensive Outpatient: Shall consist of approximately three, 3-hour (180-minute) sessions per week or four, 6-hour (360-minute) sessions per week.
- g. Drug Screening: Shall provide Drug/Alcohol screening as needed.

In addition, partial services provided by NCADD will not be reimbursed by DHHS.

Each transaction contained several units of sessions. We selected a total of 50 transactions with 793 units of sessions in July 2013 and March 2014, and selected a total of 50 transactions with 632 units of sessions in August 2014 and September 2014.

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We tested the sessions provided by NCADD to the County's residents per the requirements from the contract agreements and the Outpatient Treatment Program noted above. We reviewed these sessions' supporting documents such as attendance sign-in sheets, progress notes from clients' files, etc.

The result of our testing is summarized below:

Months	Units of Service			Amount of Sessions with Inadequate Minutes/Support
	Total Population from NCADD's Monthly Claims	Sessions Selected from NCADD's Summary Reports/ Worksheets	Sessions with Inadequate Minutes/Support	
July 2013	4,084	285	171	\$ 13,283
March 2014	3,744	508	126	8,280
Total	7,828	793	297	\$ 21,563
August 2014	9,370	256	132	\$ 11,034
September 2014	12,326	376	107	8,574
Total	21,696	632	239	\$ 19,608

***Table above's line item detail is presented at Schedule III, Schedules of Sessions with Inadequate Minutes/Support.**

For July 2013 and March 2014, we noted total 297 sessions claimed for the fee for service reimbursement on NCADD's monthly invoice either did not meet the minute requirements per the contract agreements or did not have adequate supporting documentation, which resulted in questioned costs of \$21,563.

For August 2014 and September 2014, we noted total 239 sessions claimed for the fee for service reimbursement on NCADD's monthly invoice either did not meet the minute requirements per the contract agreements or did not have adequate supporting documentation, which resulted in questioned costs of \$19,608.

In addition, during our review, we noted some sessions were not reported on NCADD's monthly claims. The unreported sessions represented claims in amounts of \$90 for July 2013 and March 2014, and \$145 for August 2014 and September 2014, respectively.

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Recommendation

We reiterate the recommendation in Finding No. 2a. We recommend NCADD become familiar with the contract agreements and submit its monthly claims for services provided to County residents after the session requirements have been met per the contract agreements, and to document and maintain proper, sufficient supporting documentation for the sessions provided. In addition, we recommend DHHS develop a resolution to resolve the issue of the questioned costs in the amounts of \$21,563 and \$19,608 with DHHS.

DHHS' Management's Response

See response to Finding No. 2a. In addition, NCADD reports that it will also develop a formal policy and procedure on Clinical Documentation Requirements. DHHS expects a draft 60 days after this report is received and filed by the Board of Supervisors.

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 Schedule of Questioned Costs

For the Period of July 1, 2013 to June 30, 2014

Questioned Costs based on testing of sample months, July 2013 and March 2014	\$ 25,790 (1)
Projected Questioned Costs for the Period (12 months)	\$ 858,437 (3)

For the Period of July 1, 2014 to February 28, 2015

Questioned Costs based on testing of sample months, August 2014 and September 2014	\$ 20,241 (2)
Projected Questioned Costs for the Period (8 months)	391,930 (3)

Total Questioned Costs for the Periods July 1, 2013 to February 28, 2015	<u>\$ 46,031</u>
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- (1) See page 2 of this Schedule.
 (2) See page 3 of this Schedule.
 (3) Projected questioned costs are based on extrapolating the questioned costs, \$25,790, and \$20,241 for July 2013 and March 2014, and August 2014 and September 2014, respectively, with the assumption that the same error rate for each line item on Schedule II and III will be found if we test the entire population of the periods.

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 Schedule of Questioned Costs
 For the period from July 1, 2013 to June 30, 2014

Budget Items	Budget ⁽ⁱ⁾	NCADD's Monthly Claims ⁽ⁱⁱ⁾	Questioned Costs ⁽ⁱⁱⁱ⁾
Outpatient Treatment Services Expenses			
A. Substance Abuse and Prevention and Treatment (SAPT) Outpatient Services	\$ 75,750	75,045	160
B. CalWORKS Drug Diversion	6,690	4,650	25
General Population Outpatient	17,400	5,640	20
Perinatal Outpatient Services	15,395	15,070	470
Perinatal Day Care Habilitative	138,305	138,270	2,070
C. Drug Court Outpatient Services	32,729	32,725	
D. Federal Perinatal Outpatient Services	94,900	94,882	3,684
Outpatient Miscellaneous	98,378	98,378	660
Day Care Habilitative	411,395	411,320	15,830
E. State Realignment Perinatal Sober Living Environment (SLE)	83,543	69,131	
F. Parolee Services Network (PSN) Miscellaneous	11,074	5,486	
Outpatient Services	48,285	47,990	
Case Management	55,188	47,538	1,898
G. CPS Drug Screening Drug Testing	42,500	17,794	
Total Outpatient Treatment Services Expenses	1,131,532	1,063,919	24,817
SAPT Prevention Expenses	113,078	113,075	973
Total Expenses	\$ 1,244,610	1,176,994	25,790

⁽ⁱ⁾ Budget amounts obtained from contract agreements and amended memorandum.

⁽ⁱⁱ⁾ NCADD's Monthly Claims column represents total invoice claims submitted to the County of Sacramento, Department of Health and Human Services (DHHS) by National Council on Alcoholism and Drug Dependence, Inc., Sacramento Region Affiliate (NCADD).

⁽ⁱⁱⁱ⁾ Questioned Costs column represents combined amounts of \$25,790; \$1,463 and \$2,764 at Schedule II, pages 1 and 2, respectively, and \$13,283 and \$8,280 at Schedule III, pages 1 and 2, respectively.

See Accountant's Report on Applying Agreed-Upon Procedures

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 Schedule of Questioned Costs
 For the period from July 1, 2014 to February 28, 2015

Budget Items	Budget ⁽ⁱ⁾	NCADD's Monthly Claims ⁽ⁱⁱ⁾	Questioned Costs ^(iv)
Outpatient Treatment Services Expenses			
A. Substance Abuse Prevention and Treatment (SAPT) (Federal) Perinatal			
County Office Space	\$ 19,992	11,662	
B. Drug Diversion			
Vehicle Code Fine (VCF)	19,851		
CalWorks	2,690	1,198	65
C. Drug Testing			
CPS Drug Testing/Administration	20,000	14,688	30
D. Intensive Outpatient Treatment Services (IOTS) - General Population			
Drug Medi-Cal (DMC) IOTS	20,968	1,131	
E. IOTS - Perinatal			
CalWorks	138,305	138,217	8,902
SAPT (Federal) Perinatal	118,921 ⁽ⁱⁱⁱ⁾	179,199 ⁽ⁱⁱⁱ⁾	8,843
DMC IOTS	341,032	20,375	
F. Outpatient Services - CalWorks Perinatal			
CalWorks	22,795	20,540	700
G. Outpatient Services - General Population			
SAPT	47,750	31,707	
SAPT Prop 36	15,000	5,291	
CalWorks	11,000	8,051	100
Drug Court	32,729	32,383	
DMC	122,000		
H. Outpatient Services - Perinatal			
SAPT (Federal) Perinatal	96,290	44,307	1,583
Realignment Perinatal	51,502	39,879	
Total Outpatient Services Expenses	1,080,825	548,628	20,223
SAPT Prevention Expenses	113,078	86,605 ⁽ⁱⁱ⁾	18
Sober Living Environment Perinatal Expenses	32,041	10,144	
Total Expenses	\$ 1,225,944	645,377	20,241

⁽ⁱ⁾ Budget amounts obtained from contract agreements and amended memorandum.

⁽ⁱⁱ⁾ NCADD's Monthly Claims column represents total invoice claims submitted to the County of Sacramento, Department of Health and Human Services (DHHS) by National Council on Alcoholism and Drug Dependence, Inc., Sacramento Region Affiliate (NCADD).

⁽ⁱⁱⁱ⁾ Actual subtotal line item claim exceeded subtotal line item budget. However, total SAPT (Federal) Perinatal claim did not exceed total SAPT (Federal) Perinatal budget.

^(iv) Questioned Costs column represents combined amounts of \$20,241; \$282 and \$351 at Schedule II, pages 3 and 4, respectively, and \$11,034 and \$8,574 at Schedule III, pages 3 and 4, respectively.

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 Schedule of Differences on Monthly Claims
 For the Month of July 2013

	NCADD's Monthly Claims	(I) NCADD's Summary Reports/ Worksheets	Differences	
			(II) Over	(III) Under
Outpatient Treatment Services Expenses				
A. Substance Abuse and Prevention and Treatment (SAPT) Outpatient Services	\$ 11,960	11,960		
B. CalWORKS Drug Diversion	835	835		
General Population Outpatient	295	275	20	
Perinatal Outpatient Services	3,655	3,655		
Perinatal Day Care Habilitative	20,120	20,120		
C. Drug Court Outpatient Services				
D. Federal Perinatal Outpatient Services	5,791	5,008	783	
Outpatient Miscellaneous	5,821	5,161	660	
Day Care Habilitative	36,470	36,470		
E. State Realignment Perinatal Sober Living Environment (SLE)	6,338	6,338		
F. Parolee Services Network (PSN) Miscellaneous	98	112		(14)
Outpatient Services	4,745	4,745		
Case Management	3,466	4,359		(893)
G. CPS Drug Screening Drug Testing	1,330	1,330		
Total Outpatient Treatment Services Expenses	100,924	100,368	1,463	(907)
SAPT Prevention Expenses	9,420	9,420		
Total Expenses	\$ 110,344	109,788	1,463	(907)

(I) NCADD's Monthly Claims column represents July 2013's invoice claim submitted to the County of Sacramento, Department of Health and Human Services (DHHS) by National Council on Alcoholism and Drug Dependence, Inc., Sacramento Region Affiliate (NCADD).

(II) NCADD's Summary Reports/Worksheets column represents reports/worksheets which were used to prepare its July 2013's invoice claim submitted to DHHS. We considered amounts reported on NCADD's Monthly Claims column greater than amounts reported on NCADD's Summary Reports/Worksheets column as questioned costs. See Finding No. 3a, Attachment I, *Findings and Recommendations*.

(III) Over column represents combined amounts of claims submitted to DHHS, but not listed on the corresponding NCADD's summary/reports/worksheets.

(IV) Under column represents combined amounts of services listed on NCADD's summary reports/worksheets, but not reported on NCADD's monthly claims.

See Accountant's Report on Applying Agreed-Upon Procedures

County of Sacramento
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 National Council on Alcoholism and Drug Dependence, Inc.
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 Schedule of Differences on Monthly Claims
 For the Month of March 2014

	NCADD's Monthly Claims	(i) NCADD's Summary Reports/ Worksheets	Differences	
			(iii) Over	(iv) Under
Outpatient Treatment Services Expenses				
A. Substance Abuse and Prevention and Treatment (SAPT) Outpatient Services	\$ 7,920	7,920		
B. CalWORKS Drug Diversion	130	130		
General Population Outpatient	200	265		(65)
Perinatal Outpatient Services				
Perinatal Day Care Habilitative				
C. Drug Court Outpatient Services				
D. Federal Perinatal Outpatient Services	10,115	9,249	866	
Outpatient Miscellaneous	7,396	7,396		
Day Care Habilitative	50,760	50,760		
E. State Realignment Perinatal Sober Living Environment (SLE)	9,422	9,422		
F. Parolee Services Network (PSN) Miscellaneous	353	383		(30)
Outpatient Services	5,580	5,580		
Case Management	5,096	3,198	1,898	
G. CPS Drug Screening Drug Testing	1,526	1,526		
Total Outpatient Treatment Services Expenses	98,498	95,829	2,764	(95)
SAPT Prevention Expenses	9,121	9,121		
Total Expenses	\$ 107,619	104,950	2,764	(95)

(i) NCADD's Monthly Claims column represents March 2014's invoice claim submitted to the County of Sacramento, Department of Health and Human Services (DHHS) by National Council on Alcoholism and Drug Dependence, Inc., Sacramento Region Affiliate (NCADD).

(ii) NCADD's Summary Reports/Worksheets column represents reports/worksheets which were used to prepare its March 2014's invoice claim submitted to DHHS. We considered amounts reported on NCADD's Monthly Claims column greater than amounts reported on NCADD's Summary Reports/Worksheets column as questioned costs. See Finding No. 3a, Attachment I, *Findings and Recommendations*.

(iii) Over column represents combined amounts of claims submitted to DHHS, but not listed on the corresponding NCADD's summary/reports/worksheets.

(iv) Under column represents combined amounts of services listed on NCADD's summary reports/worksheets, but not reported on NCADD's monthly claims.

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 Department of Health and Human Services
 National Council on Alcoholism and Drug Dependence, Inc.
 Sacramento Region Affiliate
 Fiscal Monitoring Review
 Schedule of Differences on Monthly Claims
 For the Month of August 2014

	NCADD's Monthly Claims	NCADD's Summary Reports/ Worksheets	Differences	
			Over	Under
Outpatient Treatment Services Expenses				
A. Substance Abuse Prevention and Treatment (SAPT) (Federal) Perinatal County Office Space	\$			
B. Drug Diversion Vehicle Code Fine (VCF) CalWorks	185	185		
C. Drug Testing CPS Drug Testing/Administration	2,100	2,100		
D. Intensive Outpatient Treatment Services (IOTS) - General Population Drug Medi-Cal (DMC) IOTS				
E. IOTS - Perinatal CalWorks	15,070	15,070		
SAPT (Federal) Perinatal DMC IOTS	22,037	22,037		
Outpatient Services - CalWorks				
F. Perinatal CalWorks	2,805	2,805		
G. Outpatient Services - General Population				
SAPT	2,483	2,483		
SAPT Prop 36				
CalWorks	861	861		
Drug Court	2,080	2,080		
DMC				
H. Outpatient Services - Perinatal				
SAPT (Federal) Perinatal	8,780	8,530	282	(32)
Realignment Perinatal				
Total Outpatient Treatment Services Expenses	56,401	56,151	282	(32)
SAPT Prevention Services	8,308	8,308		
Sober Living Environment Perinatal Expenses	1,941	1,941		
Total Expenses	\$ 66,650	66,400	282	(32)

⁽ⁱ⁾ NCADD's Monthly Claims column represents August 2014's invoice claim submitted to the County of Sacramento, Department of Health and Human Services (DHHS) by National Council on Alcoholism and Drug Dependence, Inc., Sacramento Region Affiliate (NCADD).

⁽ⁱⁱ⁾ NCADD's Summary Reports/Worksheets column represents reports/worksheets which were used to prepare its August 2014's invoice claim submitted to DHHS. We considered amounts reported on NCADD's Monthly Claims column greater than amounts reported on NCADD's Summary Reports/Worksheets column as questioned costs. See Finding No. 3a, Attachment I, *Findings and Recommendations*.

⁽ⁱⁱⁱ⁾ Over column represents combined amounts of claims submitted to DHHS, but not listed on the corresponding NCADD's summary/reports/worksheets.

^(iv) Under column represents combined amounts of services listed on NCADD's summary reports/worksheets, but not reported on NCADD's monthly claims.

See Accountant's Report on Applying Agreed-Upon Procedures

County of Sacramento
 Department of Health and Human Services
 National Council on Alcoholism and Drug Dependence, Inc.
 Sacramento Region Affiliate
 Fiscal Monitoring Review
 Schedule of Differences on Monthly Claims
 For the Month of September 2014

	NCADD's Monthly Claims	NCADD's Summary Reports/ Worksheets	Differences	
			Over	Under
Outpatient Treatment Services Expenses				
A. Substance Abuse Prevention and Treatment (SAPT) (Federal) Perinatal County Office Space	\$			
B. Drug Diversion Vehicle Code Fine (VCF) CalWorks	208	208		
C. Drug Testing CPS Drug Testing/Administration	2,025	2,025		
D. Intensive Outpatient Treatment Services (IOTS) - General Population Drug Medi-Cal (DMC) IOTS				
E. IOTS - Perinatal CalWorks	20,583	20,583		
SAPT (Federal) Perinatal DMC IOTS Outpatient Services - CalWorks	30,464	30,464		
F. Perinatal CalWorks	2,950	2,950		
G. Outpatient Services - General Population SAPT	4,017	4,017		
SAPT Prop 36 CalWorks	2,276	2,176	100	
Drug Court DMC	3,484	3,484		
H. Outpatient Services - Perinatal SAPT (Federal) Perinatal Realignment Perinatal	7,459	7,208	251	
Total Outpatient Treatment Services Expenses	73,466	73,115	351	
SAPT Prevention Services	10,998	10,998		
Sober Living Environment Perinatal Expenses	3,107	3,232		(125)
Total Expenses	87,571	87,345	351	(125)

⁽ⁱ⁾ NCADD's Monthly Claims column represents September 2014's invoice claim submitted to the County of Sacramento, Department of Health and Human Services (DHHS) by National Council on Alcoholism and Drug Dependence, Inc., Sacramento Region Affiliate (NCADD).

⁽ⁱⁱ⁾ NCADD's Summary Reports/Worksheets column represent reports/worksheets which were used to prepare its September 2014's invoice claim submitted to DHHS. We considered amounts reported on NCADD's Monthly Claims column greater than amounts reported on the NCADD's Summary Reports/Worksheets column as questioned costs. See Finding No. 3a, Attachment I, *Findings and Recommendations*.

⁽ⁱⁱⁱ⁾ Over column represents combined amounts of claims submitted to DHHS, but not listed on the corresponding NCADD's summary/reports/worksheets.

^(iv) Under column represents combined amounts of services listed on NCADD's summary reports/worksheets, but not reported on NCADD's monthly claims.

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County of Sacramento
 Department of Health and Human Services
 National Council on Alcoholism and Drug Dependence, Inc.
 Sacramento Region Affiliate
 Fiscal Monitoring Review
 Schedule of Sessions with Inadequate Minutes/Support
 For the Month of July 2013

	Units of Service			
	Total Population from NCADD's Monthly Claims ⁽ⁱ⁾	Sessions Selected from NCADD's Summary Reports/ Worksheets ⁽ⁱⁱ⁾	Sessions with Inadequate Minutes/Support ⁽ⁱⁱⁱ⁾	Amount of Sessions with Inadequate Minutes/Support ^(iv)
Outpatient Treatment Services Expenses				
A. Substance Abuse and Prevention and Treatment (SAPT) Outpatient Services	317	32	1	\$ 65
B. CalWORKS Drug Diversion	23	6	1	25
General Population Outpatient	7	4		
Perinatal Outpatient Services	95	15	11	470
Perinatal Day Care Habilitative	238	24	24	2,070
C. Drug Court Outpatient Services				
D. Federal Perinatal Outpatient Services	1,002	22	16	620
Outpatient Miscellaneous	1,195			
Day Care Habilitative	419	118	113	9,860
E. State Realignment Perinatal Sober Living Environment (SLE)	214	31		
F. Parolee Services Network (PSN) Miscellaneous	7			
Outpatient Services	131	17		
Case Management	80			
G. CPS Drug Screening Drug Testing	95			
Total Outpatient Treatment Services Expenses	3,823	269	166	13,110
SAPT Prevention Expenses	261	16	5	173
Total	4,084	285	171	\$ 13,283

⁽ⁱ⁾ Total Population from NCADD's Monthly Claims column represents the total number of units of services claimed in July 2013.

⁽ⁱⁱ⁾ Sessions Selected from NCADD's Summary Reports/Worksheets column represents the number of units of services claimed in July 2013 selected for testing.

⁽ⁱⁱⁱ⁾ Sessions with Inadequate Minutes/Support column represents the number of units of services claimed on the monthly invoice claims that did not meet the sessions' minute requirements per the contract agreements or did not have adequate supporting documentation. See Finding No. 3b, Attachment I, *Findings and Recommendations*.

^(iv) Amount of Sessions with Inadequate Minutes/Support column represents the dollar amount of the number of units of services claimed on the monthly invoice claims that did not meet the sessions' minute requirements per the contract agreements or did not have adequate supporting documentation. See Finding No. 3b, Attachment I, *Findings and Recommendations*.

County of Sacramento
 Department of Health and Human Services
 National Council on Alcoholism and Drug Dependence, Inc.
 Sacramento Region Affiliate
 Fiscal Monitoring Review
 Schedule of Sessions with Inadequate Minutes/Support
 For the Month of March 2014

	Units of Service			
	Total Population from NCADD's Monthly Claims ⁽ⁱ⁾	Sessions Selected from NCADD's Summary Reports/ Worksheets ⁽ⁱⁱ⁾	Sessions with Inadequate Minutes/Support ⁽ⁱⁱⁱ⁾	Amount of Sessions with Inadequate Minutes/Support ^(iv)
Outpatient Treatment Services Expenses				
A. Substance Abuse and Prevention and Treatment (SAPT) Outpatient Services	229	28	2	\$ 95
B. CalWORKS Drug Diversion	5			
General Population Outpatient	8			
Perinatal Outpatient Services				
Perinatal Day Care Habilitative				
C. Drug Court Outpatient Services				
D. Federal Perinatal Outpatient Services	1,515	224	34	1,415
Outpatient Miscellaneous	371			
Day Care Habilitative	594	75	70	5,970
E. State Realignment Perinatal Sober Living Environment (SLE)	329	61		
F. Parolee Services Network (PSN) Miscellaneous	70			
Outpatient Services	145	11		
Case Management	117	74		
G. CPS Drug Screening Drug Testing	109			
Total Outpatient Treatment Services Expenses	3,492	473	106	7,480
SAPT Prevention Expenses	252	35	20	800
Total	3,744	508	126	\$ 8,280

⁽ⁱ⁾ Total Population from NCADD's Monthly Claims column represents the total number of units of services claimed in March 2014.

⁽ⁱⁱ⁾ Sessions Selected from NCADD's Summary Reports/Worksheets column represents the number of units of services claimed in March 2014 selected for testing.

⁽ⁱⁱⁱ⁾ Sessions with Inadequate Minutes/Support column represents the number of units of services claimed on the monthly invoice claims that did not meet the sessions' minute requirements per the contract agreements or did not have adequate supporting documentation. See Finding No. 3b, Attachment I, *Findings and Recommendations*.

^(iv) Amount of Sessions with Inadequate Minutes/Support column represents the dollar amount of the number of units of services claimed on the monthly invoice claims that did not meet the sessions' minute requirements per the contract agreements or did not have adequate supporting documentation. See Finding No. 3b, Attachment I, *Findings and Recommendations*.

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County of Sacramento
 Department of Health and Human Services
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 Fiscal Monitoring Review
 Schedule of Sessions with Inadequate Sessions/Support
 For the Month of August 2014

	Units of Service			Amount of Sessions with Inadequate Minutes/Support ^(iv)
	Total Population from NCADD's Monthly Claims ⁽ⁱ⁾	Sessions Selected from NCADD's Summary Reports/ Worksheets ⁽ⁱⁱ⁾	Sessions with Inadequate Minutes/Support ⁽ⁱⁱⁱ⁾	
Outpatient Treatment Services Expenses				
A. Substance Abuse Prevention and Treatment (SAPT) (Federal) Perinatal County Office Space				\$
B. Drug Diversion Vehicle Code Fine (VCF) CalWorks	7	2		
C. Drug Testing CPS Drug Testing/Administration	140	8	1	15
D. Intensive Outpatient Treatment Services (IOTS) - General Population Drug Medi-Cal (DMC) IOTS				
E. IOTS - Perinatal CalWorks	163	53	48	4,559
SAPT (Federal) Perinatal DMC IOTS Outpatient Services - CalWorks	233	59	58	5,565
F. Perinatal CalWorks	76	15	11	365
G. Outpatient Services - General Population SAPT SAPT Prop 36 CalWorks Drug Court DMC	82	9		
	30	9		
	62	10		
H. Outpatient Services - Perinatal SAPT (Federal) Perinatal Realignment Perinatal	203	26	14	530
Total Outpatient Treatment Services Expenses	996	191	132	11,034
SAPT Prevention Services	8,307	48		
Sober Living Environment Perinatal Expenses	67	17		
Total	9,370	256	132	\$ 11,034

⁽ⁱ⁾ Total Population from NCADD's Monthly Claims column represents the total number of units of services claimed in August 2014.

⁽ⁱⁱ⁾ Sessions Selected from NCADD's Summary Reports/Worksheets column is the number of units of services in August 2014 selected for testing.

⁽ⁱⁱⁱ⁾ Sessions with Inadequate Minutes/Support column represents the number of units of services claimed on the monthly invoice claims that did not meet the sessions' minute requirements per the contract agreements or did not have adequate supporting documentation. See Finding No. 3b, Attachment I, *Findings and Recommendations*.

^(iv) Amount of Sessions Selected with Inadequate Minutes/Support column represents the dollar amount of the number of units of services claimed on the monthly invoice claims that did not meet the sessions' minute requirements per the contract agreements or did not have adequate supporting documentation. See Finding No. 3b, Attachment I, *Findings and Recommendations*.

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County of Sacramento
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 Schedule of Sessions with Inadequate Sessions/Support
 For the Month of September 2014

	Units of Service			Amount of Sessions with Inadequate Minutes/Support ^(v)
	Total Population from NCADD's Monthly Claims ⁽ⁱ⁾	Sessions Selected from NCADD's Summary Reports/ Worksheets ⁽ⁱⁱ⁾	Sessions with Inadequate Minutes/Support ⁽ⁱⁱⁱ⁾	
Outpatient Treatment Services Expenses				
A. Substance Abuse Prevention and Treatment (SAPT) (Federal) Perinatal County Office Space				\$
B. Drug Diversion Vehicle Code Fine (VCF) CalWorks	5	2	1	65
C. Drug Testing CPS Drug Testing/Administration	135	9	1	15
D. Intensive Outpatient Treatment Services (IOTS) - General Population Drug Medi-Cal (DMC) IOTS				
E. IOTS - Perinatal CalWorks	222	49	46	4,342
SAPT (Federal) Perinatal	324	39	35	3,279
DMC IOTS				
Outpatient Services -CalWorks				
F. Perinatal CalWorks	82	14	10	335
G. Outpatient Services - General Population SAPT	129	10		
SAPT Prop 36				
CalWorks	64	5		
Drug Court	95			
DMC				
H. Outpatient Services - Perinatal SAPT (Federal) Perinatal	169	26	13	520
Realignment Perinatal				
Total Outpatient Services Expenses				
Total Outpatient Treatment Services Expenses	1,225	154	106	8,556
SAPT Prevention Services	10,998	192	1	18
Sober Living Environment Perinatal Expenses	103	30		
Total	12,326	376	107	\$ 8,574

⁽ⁱ⁾ Total Population from NCADD's Monthly Claims column represents the total number of units of services claimed in September 2014.

⁽ⁱⁱ⁾ Sessions Selected from NCADD's Summary Reports/Worksheets column is the number of units of services in September 2014 selected for testing.

⁽ⁱⁱⁱ⁾ Sessions with Inadequate Minutes/Support column represents the number of units of services claimed on the monthly invoice claims that did not meet the sessions' minute requirements per the contract agreements or did not have adequate supporting documentation. See Finding No. 3b, Attachment I, *Findings and Recommendations*.

^(iv) Amount of Sessions Selected with Inadequate Minutes/Support column represents the dollar amount of the number of units of services claimed on the monthly invoice claims that did not meet the sessions' minute requirements per the contract agreements or did not have adequate supporting documentation. See Finding No. 3b, Attachment I, *Findings and Recommendations*.

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