

Management Advisory 2004 - 5

To: Pat Blaney, Internal Audit Director *P.B.*
From: Ilonka E. Washburn, Lead Sr. Internal Auditor
CC: Dwight E. Brock, Clerk of the Circuit Court *DEB*
Audit File
Date: 6/9/04
Re: State Mandated Service Agreement – David Lawrence Center

State Mandated Service Agreement – David Lawrence Center

BACKGROUND

Mental Health Services are state mandated and include support services for: the mentally ill, medication services, supportive independent living skills, assessment, parenting skills, adolescent counseling and sexual and physical abuse, crisis stabilization and emergency services. Included in the agreement are also substance abuse, assessment, outpatient counseling, and court ordered treatment, drug testing, prevention, and residential and emergency detoxification.

The David Lawrence Mental Health Center, Inc. is a not-for-profit corporation formed to assess the mental health and substance abuse needs of Collier County, Florida. Under the current agreement between the Board of County Commissioners of Collier County and the David Lawrence Center (DLC), Collier County has agreed to reimburse the DLC quarterly in advance sums not to exceed the total of \$952,000.00. The sum includes the funding for all operational costs, including the transportation of Baker Act participants.

AUDIT OBJECTIVES & SCOPE

The specific objectives of this review were to determine adherence to all applicable segments of the agreement.

The scope of this advisory was limited to confirmation of agreement specifications for fiscal year 2004.

FINDINGS

Public Services

1. Agreement specific reports not readily available

The agreement specifies several components necessary that should be communicated, i.e., copied to Public Services from the David Lawrence Center (DLC). Copies of related information, specifically the applicable District Plan, activity data, current list of licenses, copy of liability insurance coverage as well as the fiscal statistical reports were not readily available at the Public Services Division who had to then request stated information from the David Lawrence Center.

2. Fiscal and operational statistical report non-existent

The written fiscal and operational statistical data reports specified in bullet K of the agreement had not been provided by the DLC to Collier County. While the requests for quarterly prepayment included an attachment subdividing the hours spent it did not enable a direct correlation from operating (treatment) hours to costs associated with treatment hours. Without correlating fiscal data it is difficult to determine fulfillment of financial obligations based on the agreed upon amount specified.

3. Lack of designated staff member

Contrary to the requirements of the agreement, pre-payments were received by the David Lawrence Center without receipt of all required reports. While information mandated was obtainable upon request from the David Lawrence Center, it was not readily available until a precise request was made. The agreement states that written evidence should be submitted to the Counties Public Services Director no later than 10 days after the effective date of the agreement. The effective date of agreement was 9/23/03. This lack of agreement adherence is attributed to the lack of a designated staff member by Public Services responsible for this agreement. Responsibility for any agreement or service provided by/to or through government should be placed in the hands of a specified individual within the responsible department.

David Lawrence Center

4. Client Hours not balanced to report

From each of the seven specified departments listed on the YTD Units Produced Report, samples were randomly selected. A total of 25 client service hours were tested to ensure that the hours recorded balanced those shown on the report. All but one client record balanced. The one record that did not balance showed a discrepancy of 45 minutes that had been billed but could not be accounted for. The management at the David Lawrence Center further researched the matter and found it attributable to human error.

RECOMMENDATIONS:

Public Services

1. Agreement specific reports should be readily available

Due to internal restructuring the monitoring responsibilities were not clear within the Public Services Division. However, all necessary records stated in the agreement, i.e., District Plan, activity data and copies of applicable liability insurance should have been readily available for review. The agreement states that written evidence should be submitted to the County's Public Services Director no later than 10 days after the effective date of the agreement. The effective date of agreement was 9/23/03. Prior to any payments all necessary reports should be on file or attached to invoice due; as specified in the agreement. It is always advisable to keep copies of all documentation in an organized manner to ensure agreement to - and auditing compliance.

2. Fiscal and operational reports should be created and provided

An appropriate report had been created during the course of this review and care should be taken to ensure that this report or one equally inclusive would be attached to each quarterly reimbursement advance as specified in the agreement prior to any payments being made. This will ensure that the amount specified in the agreement will be used appropriately, as well as compliance to the agreement.

3. Human Services staff member should be designated

With the recent delegation of the state mandated contracts from the Public Services Administrator to the Human Services Department care should be taken to designate a staff member responsible for the state mandated agreement. The designated person needs to ensure that all requirements of this agreement are fulfilled and all applicable information is forwarded to the budget / finance department to allow for proper payment of specified amounts in the BCC / DLC agreement.

David Lawrence Center

4. Ensure that all client hours billed are accountable

Precautions should be taken to ensure that all treatment hours billed are accountable and entered into the system correctly. While human error can never be eliminated completely care should be taken that all hours billed are actually incurred.

Human Services Response (Exhibit A)

Dear Ilonka,

Thank you for including me in the recent audit of the contract between Collier County Government and the David Lawrence Center. As we discussed, the Human Services Department is taking over responsibility of the agreement and it was most helpful for us to participate in the process of reviewing this state mandated service.

Just to update you on a couple of items related to your review. We have obtained copies of related information of the agreement and currently have them on file at the Human Services Department. DLC has provided us with the District Plan, activity data, applicable licenses, copy of their liability insurance, and fiscal statistical reports.

In addition we have met with DLC and subsequent to their meeting with you have adopted operational statistical data reports that they have agreed to supply us that provide operating treatment hours with costs associated with the specific treatments that the county is purchasing.

Finally, in order to pursue adherence to the agreement dated 09/23/03 and future agreements related to this state mandate service, the Human Services Department has been tasked with following compliance with the contract with myself as the contact person.

Again, thank you for your professionalism and assistance in assisting us with correcting issues related to this agreement.

If I can be of further assistance do not hesitate to contact me at 774-8442.

Sincerely,

Barry Williams, LCSW, MBA
Director of Human Services
Collier County Government

CONCLUSION

Through the recent delegation of State Mandated Agreements to the Human Services Department the opportunity to review the agreement and address the points stated above with the Internal Auditor were appreciated. Reviewing the agreement, its applications and its requirements will enable the Human Services Department to ensure future agreement to this agreement.

The David Lawrence Center was eager to provide all information required including the creation of a report that should satisfy the criteria of the agreement between Collier County and the David Lawrence Center. The management of the David Lawrence Center welcomed the opportunity to meet with the Human Services Department staff responsible to continue this agreement.

EXHIBIT A

-----Original Message-----

From: Williams, Barry

Sent: Tuesday, June 15, 2004 9:29 AM

To: Ilonka E. Washburn

Cc: Ramsey, Marla

Subject: Response to the recent audit of DLC Service Agreement

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Sincerely,

Barry Williams, LCSW, MBA
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