



Paul R. LePage, Governor

Mary C. Mayhew, Commissioner

Department of Health and Human Services
Financial Services - Audit
11 State House Station
Augusta, Maine 04333-0011
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Appeal Decision

January 31, 2013

Danielle Langley, Executive Director
Aroostook Council for Healthy Families
37 Bangor Street, Suite 7
Augusta, Maine 04332-0587

Re: Aroostook Council for Healthy Families FY 2009 and 2010

Dear Ms. Langley:

We are in receipt of your letter dated November 5, 2012 in which you appeal the Department Report of Aroostook Council for Healthy Families for the fiscal years ended September 30, 2009 and 2010 dated August 31, 2012.

Your agency is appealing Findings 1, 2, 3 and 5 and the balances due to the Department in the amount of \$24,609 and \$2,910. Below are the agency's and Division of Audit's (Division) positions specific to the areas of dispute.

- **Agency Position Findings 1, 2, 3:**

You state that your agency was unaware of the disallowed expenses for agreement CFS-09-1611. In the past you had contacted your contract administrator prior to purchasing capital equipment or unique circumstances and that you believe you had been in contact with your administrator verbally on the purchase of the computers and the purchase of items during the last month. You are requesting to consider use of your United Way and municipal funding to cover a portion of the disallowed expenses. You have provided letters from United Way and a copy of the request letters your agency had sent to towns.

Division of Audit Position:

We agree with your position to allow the use of United Way and municipal funds to pay for a portion of the disallowed costs. The \$24,609 balance will be reduced by the \$14,817 of United Way and municipal funds to \$9,792.

- **Agency Position Finding 5:**

You state that unrestricted revenues of \$2,658.63 were not included as part of your committed amount of "other available income" and with that inclusion your agency will have surpassed the committed amount. You have included a detailed profit and loss statement to support your position.

Division of Audit Position:

We agree with your position. With the inclusion of the additional unrestricted revenues, the balance due the Department has been reduced from \$2,910 to \$0.

As a result of the Appeal, the balance due the Department for agreement CFS-09-1611 has been reduced to \$9,792. The findings remain unchanged and a corrective action plan is required.

As a result of the Appeal, the balance due the Department for agreement CFS-10-1611 has been reduced to \$0 and Finding 5 has been eliminated.

Department Appeals, Resolutions and Sanctions:

Upon receipt of this appeal decision your agency has sixty (60) days to accept or continue your appeal. To continue at step b you must submit a written request to James D. Bivens, Director, Office of Administrative Hearings, Marquardt Building, 11 State House Station, Augusta, Maine 04333, identifying which decision(s) from the Appeal Decision you wish to continue to appeal. For complete appeal rights see *Notice of Appeal Rights of Community Agencies*.

If your Agency accepts this appeal decision, please submit a corrective action plan for findings 1, 2, 3, 4 and 6 and make prompt payment of any balances due.

Please send your corrective action plan to: Social Services Unit, DHHS Financial Services - Audit at the above address. The corrective action plan should identify specific steps to be taken and the anticipated completion date. The plan should be signed by an appropriate manager or administrator. For your convenience, we have attached a hard copy of the corrective action plan form. An electronic copy of the corrective action plan form may be obtained on our website at www.maine.gov/dhhs/audit/social-services/forms.shtml.

Please send your check for \$9,792, payable to the Treasurer, State of Maine, to Mary Garate, Accounting Technician, DHHS Service Center, Department of Administrative and Financial Services, 221 State Street, 11 State House Station, Augusta, Maine 04333.

If you have any questions, please do not hesitate to contact Anthony Madden, Audit Manager at 287-2834. Thank you.

Sincerely,



Herbert F. Downs
Director

cc:

Patricia Wall, DPS, DHHS
DHHS Receivables, DHHS Service Center, DAFS

Department of Health and Human Services
Division of Audit

NOTICE OF APPEAL RIGHTS OF COMMUNITY AGENCIES

MAAP SECTION .04 C. as amended December 7, 2006.

1. Appeals Procedures

Step a - Director of Audit

A Community Agency may appeal, in writing, the findings of an IPA audit or a Department examination within sixty (60) days after receiving the report from the Department. The appeal letter must identify the issues being appealed and include the specific supporting documentation. It must be addressed to the Director of the Office of Audit.

The Director or the Director's designee will initiate a review of the audit appeal and will, as needed, consult with program management responsible for the affected agreements, Agreement Administrators, and other applicable and appropriate staff. If, upon initial review, the Director, and any other parties involved, agree with the position of the Community Agency, the Director may proceed to issue a decision.

If the appeal is not resolved after the initial review, the Director or the Director's designee will convene an informal review meeting. The informal review meeting will involve the Office of Audit, the Community Agency, program management responsible for the affected agreements, Agreement Administrators, and other applicable and appropriate staff.

The Director or the Director's designee will issue a written decision on the appeal and the full basis of the decision to the Community Agency no later than sixty (60) days following the receipt of the appeal letter, unless both parties agree to a timed extension. The letter may be co-signed by other DHHS staff as applicable.

Step b - Office of Administrative Hearings

If the Community Agency wishes to proceed further in its appeal, it may appeal to the Office of Administrative Hearings within sixty (60) days of receiving the decision from the Director of the Office of Audit. The issue(s) on appeal will be limited to what was raised at the Step a appeal. The hearing will be a de novo Order of Reference appeal hearing. The Hearing Officer will issue a Recommended Decision with the Commissioner issuing a Final Decision.

Step c - Judicial appeal

The Commissioner's decision is the final Department appeals action. Any further appeal is to the Maine Superior Court pursuant to Maine Rules of Civil Procedure, Rule 80C and 5 M.R.S.A. §11001.