



Paul R. LePage, Governor

Mary C. Mayhew, Commissioner

Department of Health and Human Services  
Financial Services - Audit  
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## Appeal Decision

January 27, 2014

Carlton D. Pendleton, Executive Director  
Sweetser  
50 Moody Street  
Saco, Maine 04072

**Re: Sweetser FY 2011**

Dear Mr. Pendleton:

We are in receipt of your letter dated June 28, 2013 in which you appeal the Department Report of Sweetser for the fiscal year ended June 30, 2011 dated April 29, 2013.

Your agency is appealing Finding 2 and the balance due to the Department in the amount of \$2,123 for agreement MH2-11-413. Below are the agency's and Division of Audit's (Division) positions specific to the areas of dispute.

**1. Agency Position Finding 1:**

You state that you don't agree with the decision to reclassify Federal Funds awarded to your agency to an agency contribution for agreement MH2-11-413A. You also state that the amount on Line 16 at the time of budget preparation was an error and that you were unaware that those funds were Federal Funds for Behavioral Health Disaster Preparedness Emergency Response and should have been included on Line 25 Other Federal Funds. Additionally, your contract was not received until late May and were therefore unable to submit a timely budget revision.

**Division of Audit Position:**

We agree with your position. The documentation that your agency submitted indicates that the budget included an error that should have been corrected. Given the timing of the amendment and the end of the contract your explanation appears reasonable.

**As a result of the Appeal the balance due to the Department is \$0.**

**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 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, Management Analyst II, DCM, DHHS  
DHHS Recievables, DHHS Service Center, DAFS  
Berry Dunn, CPAs

## 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.