



COUNTY OF LEHIGH
OFFICE OF THE CONTROLLER

LEHIGH COUNTY GOVERNMENT CENTER
17 SOUTH SEVENTH STREET
ALLENTOWN, PA 18101-2400
(610) 782-3082 FAX: (610) 820-3335

THOMAS SLONAKER
COUNTY CONTROLLER

JOHN A. FALK
DEPUTY CONTROLLER

TO: Final Report Distribution
FROM: Thomas Slonaker, County Controller
DATE: September 6, 2011
RE: Internal Audit of Mental Health/Intellectual Disabilities

We have completed an internal audit of the Mental Health/Intellectual Disabilities (MH/ID) trustee accounts for the period July 1, 2010 to November 30, 2010. The office of MH/ID management has contracted with The Advocacy Alliance to be representative payee for approximately 35 of its clients. Our audit report number 11-56 is attached.

The results of our audit are:

- Advocacy Alliance monthly fee is not always allocated per the current Mental Health office policy.
- Advocacy Alliance client disbursements do not always have timely and proper backup.

The MH/ID office management has addressed these concerns with updating the representative payee protocols specifically their internal procedures, receipt process and fee schedule. Also, issues raised in our prior audit concerning emergency spending checks and monthly activity statements were corrected.

Attachment

AUDITS/MH-ID

COUNTY OF LEHIGH
MENTAL HEALTH/INTELLECTUAL DISABILITIES
TRUSTEE ACCOUNTS

*Internal Audit for the Period
July 1, 2010 to November 30, 2010*

REPORT NO. 11-56

COUNTY OF LEHIGH
MENTAL HEALTH/INTELLECTUAL DISABILITIES
TRUSTEE ACCOUNTS

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COUNTY OF LEHIGH, PENNSYLVANIA
MENTAL HEALTH/INTELLECTUAL DISABILITIES
TRUSTEE ACCOUNTS

Background

Representative Payee Funding

The Office of Mental Health/Intellectual Disabilities (MH/ID) is the representative payee for approximately 35 of its clients. A representative payee is an individual or organization appointed by the Social Security Administration that receives Social Security and/or Supplemental Security Income payments for someone who cannot manage or direct someone else to manage his or her money. In November 2005, MH/ID contracted with The Advocacy Alliance to be the representative payee for these clients.



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THOMAS SLONAKER
COUNTY CONTROLLER

JOHN A. FALK
DEPUTY CONTROLLER

J. Timothy Boyer, Director
Lehigh County Mental Health/Intellectual Disabilities
Lehigh County Government Center
17 South Seventh Street
Allentown, PA 18101

We have recently completed an internal audit of the financial records of the trustee accounts at the Office of Mental Health/Intellectual Disabilities (MH/ID), County of Lehigh, Pennsylvania. The scope of our detail audit testing was the period July 1, 2010 to November 30, 2010. Our objective was to verify the contractor, Advocacy Alliance is accurately maintaining the trustee accounts as the representative payee are in compliance with the budget, fee schedules, insurance, and independent audit requirements as contractually required.

We conducted our audit in conformance with the *"International Standards for the Professional Practice of Internal Auditing"*, promulgated by the Institute of Internal Auditors. Our audit included examination of the accounting records, documentation, discussions with MH/ID and Advocacy Alliance personnel and other county personnel, and such other auditing procedures we considered necessary in the circumstances.

We concluded that the Advocacy Alliance, under the direction of the Office of MH/ID, has properly maintained the trustee accounts as representative payee. Some procedural deficiencies were noted and discussed with MH/ID management that, if corrected, could improve the effectiveness and efficiency of the representative payee management process. A complete description of our recommendations is detailed in the accompanying *"Schedule of Audit Findings and Recommendations"* and *"Schedule of Prior Audit Findings and Recommendations"*.

We wish to thank the MH/ID director and his staff for their cooperation during the audit. This report is intended for the information and use of the MH/ID management and other affected county offices. However, this report is a matter of public record and its distribution is not limited.



THOMAS SLONAKER
County Controller

(Date)
Allentown, Pennsylvania

Final Distribution:

Kay L. Achenbach, Fiscal Officer, Human Services
Board of Commissioners
Jan K. Creedon, Director, Human Services

Donald T. Cunningham, Jr., County Executive
Brian L. Kahler, Fiscal Officer, Lehigh County

COUNTY OF LEHIGH, PENNSYLVANIA
MENTAL HEALTH / INTELLECTUAL DISABILITIES
TRUSTEE ACCOUNTS

Schedule of Audit Findings and Recommendations

1. Advocacy Alliance Monthly Account Fee Not Allocated Per the Mental Health Policy

Condition: The management of Mental Health (MH) has not properly allocated the Advocacy Alliance (AA) monthly charges to the clients per the MH policy. The policy is when the client's balance is greater than \$2,000 the client pays the fee and when less than \$2,000 MH pays the fee.

Recommendation: The Advocacy Alliance should be directed by MH/ID management to allocate the monthly charge per established policy.

2. Advocacy Alliance Client Disbursements Do Not Always Have Timely and Proper Backup

Condition: The Advocacy Alliance does not always have enough adequate or timely documentation to properly backup client disbursement transactions. Some items tested through November 2010 remain undocumented as of April 2011. Canceled checks were provided for these disbursements which related to the transactions but were unable to be determined if they were handled properly.

Recommendation: MH/ID management should periodically review representative payee files for proper receipt documentation. Any discrepancies noted should be investigated and corrected.

COUNTY OF LEHIGH, PENNSYLVANIA
MENTAL HEALTH / INTELLECTUAL DISABILITIES
TRUSTEE ACCOUNTS

Schedule of Prior Audit Findings and Recommendations

1. Emergency Spending Checks

Condition: The Advocacy Alliance provides an additional personal spending check to the staff of MH/MR for four clients. This additional personal spending check is made payable to the client and is only used when the client needs emergency spending money.

Recommendation: The management of MH/MR should stop the current emergency spending check practice. The office of fiscal affairs is able to issue a manual check to a client on an emergency basis. The county would then be reimbursed by The Advocacy Alliance.

Current Status 2010: This practice was stopped in 2007 as of the prior audit and if any emergency checks are needed, the caseworker contacts the Advocacy Alliance and it is then handled by them.

2. Monthly Activity Statements Not Provided to Clients

Condition: The Advocacy Alliance does not provide the MH/ID clients with a copy of their monthly activity statement as required by the contract. Monthly activity statements are provided only to the management of MH/ID. The current month's activity statements are filed in a binder and the outdated statements are filed in the client's case file. The caseworkers receive a copy of the current activity statement for their review. There is no written proof of the caseworkers review. Without proper oversight, the mishandling of the client's funds could occur and go undetected by either the client or the caseworker.

Recommendation: The management of MH/ID should inform The Advocacy Alliance to start sending monthly activity statements to all clients. All "original" monthly activity statements received from The Advocacy Alliance should be kept together in a separate file. A monthly sign off sheet should be kept in the front of the file to provide proof of the caseworker's review. The file should be kept in the office of the caseworker supervisor responsible for the program.


Current Status 2010: As of the prior audit the Advocacy Alliance was informed to send the statement to the clients. Currently MH/ID and Advocacy Alliance staff confirmed that the monthly statements are going to the clients.



County of Lehigh
Mental Health/Intellectual Disabilities/Early Intervention/
Drug & Alcohol

J. Timothy Boyer
Administrator

TO: Thomas Slonaker, County Controller

FROM: J. Timothy Boyer, Administrator 

DATE: August 25, 2011

RE: DRAFT Audit of Mental Health/Intellectual Disabilities Trustee
Accounts

I am in receipt of the May 31, 2011 Draft Audit on the Mental Health/Intellectual Disabilities trustee accounts for the period of July 1, 2010 to November 30, 2010. I am pleased to learn that your office has concluded "that the Advocacy Alliance, under the direction of the Office of MH/ID, has properly maintained the trustee accounts as representative payee." Please note the following changes to our procedures that we are implementing to address the two (2) issues noted as well as improve program effectiveness and efficiencies:

1. Advocacy Alliance Monthly Account Fee Not Allocated per the Mental Health Policy-
In order for us to address this issue, we have updated our Protocols for this program. Attached, please find a DRAFT copy of these revised Protocols. We would appreciate any feedback that you might have on this document.
2. Advocacy Alliance Client Disbursements do not always have timely and proper backup-

During the past few months, the Advocacy Alliance has undergone a review of their internal procedures as well as their procedures related to their interaction with County Programs, Providers and other entities. As a result, the Advocacy Alliance has informed us that they hired a Certified Public Accountant, whose duties would include oversight of the Representative Payee Program. I believe that the addition of this position will enable the Advocacy Alliance to yield even greater controls and protection of consumer resources.

In addition to the CPA, the Advocacy Alliance has also strengthened their control of individuals' funds after they are disbursed to Providers by implementing a change to their Receipt Process. Effective July 12, 2011, the Advocacy Alliance will;

- a. The Advocacy Alliance monitors benefits to assure that the individual remains eligible for services. When an individual is in jeopardy of exceeding the limit of an allowable fund balance, the Advocacy Alliance will notify the County Program and Provider of the situation and ask that a spend down plan or special request be made. The Advocacy Alliance will require Providers to submit receipts for special requests and/or return unexpended funds within 30 days of the Alliance issuing the check.
- b. If the Provider fails to comply, the Alliance will issue no checks to the Provider, including Room and Board for all individuals for whom the Alliance serves as Representative Payee. Personal spending for individuals will still be released. The County Program will be notified of any instance where these

receipts are not submitted within this timeframe. The county Program will contact the Provider to seek immediate resolution to this problem.

c. If the Provider fails to submit receipts for special requests and/or return unexpended funds within 45 days, the Advocacy Alliance will issue no checks to the Provider, including Room and Board, and will initiate special procedures to release any future checks on behalf of the individuals they represent. The Advocacy Alliance along with the County Program will meet with the Provider and remedy the situation.

In addition to this response to your audit, I am also attaching a signed form letter that was issued to me as part of the Draft Audit.

Thank you for the opportunity to improve upon one of the services that we make available to citizens of Lehigh County who have a mental illness or intellectual disability.

cc: Jan Creedon

DRAFT

REPRESENTATIVE PAYEE PROTOCOLS

1. Referral Process

A referral packet is completed for the individual for whom representative payee services are being sought. The referral packet includes:

- Representative Payee provider (Advocacy Alliance) referral
- Release of information for representative payee provider
- Form SSA-4164 – Advanced Notification of Representative Payment
- Form SSA-787 – Physician/Medical Officer’s Statement of Patient’s Capability to Manage Benefits
- Budget sheet

Once the packet is completed, it is forwarded to the county casemanager acting as the representative payee’s liaison. The county case manager will review the packet for completeness, scan the completed packet into the BHIS system, and scan and email the packet to the representative payee account specialist. The Advocacy Alliance representative payee account specialist will process the referral and submit the appropriate documentation to the Social Security Administration to initiate the representative payee appointment process.

2. Fee Schedule

As outlined by The Advocacy Alliance, effective July 1, 2011:

Fee 1.

Individual referred through county/other agencies (and has community supports) is charged \$32.00 per month.

Fee 2.

Individual with no referral source (and has no community supports) is charged \$37.00 per month.

Fee 3.

Individual who is under 18 years of age and whose parent(s) is enrolled in the representative payee program is charged \$20.00 per month.

In addition to the fee, \$2.00 will be charged on a monthly basis to cover bank fees. This will reflect on each consumer’s statement.

The county will pay for representative payee services for consumers that are residing in Personal Care Homes and/or Nursing Homes and only receive a monthly spending stipend. In order for a consumer that is not in one of these living situations to be considered for county funding of their representative payee services, we would review the individual consumer’s unique financial needs. This would include looking at their account balance after essential bills are paid.

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3. Representative payee's responsibilities

The representative payee is responsible for communications with the county case manager/liaison and with the consumer's creditors as needed. The representative payee will notify the county case manager of any consumer account problems which require the consumer to be informed and/or require consumer input or follow-up. The representative payee is held to the requirements and expectations of a representative payee as outlined by the Social Security Administration.

4. County case manager/representative payee liaison responsibilities

The county case manager is the liaison for communications between the representative payee and the consumer. All communication will be documented in BHIS. The county case manager will record and monitor the budget outlined in the referral packet for the consumer. The case manager will review the monthly account statements sent by the representative payee and compare them to the budget outlined for the consumer for accuracy; the case manager will alert the representative payee of any discrepancies found in this review (i.e. bill unpaid for the month, significant change in the amount paid to a creditor, etc.). The monthly account statement will be scanned into BHIS and the month's account balance recorded in the Excel tracking spreadsheet.

The consumer may have the option of picking up their spending check at the Government Center in lieu of having the check mailed to their residence. The county case manager will prepare a signature sheet each week documenting the spending checks to be dispensed at the Government Center. Checks are dispensed on Fridays at 9:00am; exceptions may be made at the discretion of the county.

5. Consumer responsibilities

It is the responsibility of the consumer for whom representative payee services are sought and secured to notify the county case manager/representative payee liaison of needed changes to his/her budget (i.e. change in income, increase/decrease in rent/room & board, etc), receipt of bills which need to be paid from the account held by the representative payee, requests for additional funds, missing spending checks, etc. When a consumer receives additional spending money, other than the weekly/monthly spending check, it is the consumer's responsibility to obtain and submit receipts to the county who will then forward them to Advocacy Alliance.

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6. Contact information

The Advocacy Alliance
846 Jefferson Ave
PO Box 1368
Scranton, PA 18501
570-342-7762
Fax: 570-969-6922
info@theadvocacyalliance.org

Kerri Grenevicki, Account Specialist
kg@theadvocacyalliance.org

Michelle Dempsey, Manager of Representative Payee Services
md@theadvocacyalliance.org