

# DOH PROGRAM 10 – RESIDENTIAL CHILD CARE PROGRAM

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## **I. PROGRAM OBJECTIVES**

The objective of this program is to purchase emergency shelter care and residential care services for minors for whom the State has assumed responsibility under AS 47.10 - 47.12 and for children placed by their parents.

## **II. PROGRAM PROCEDURES**

Public funds are appropriated annually to the Department of Health of Behavioral Health. Grants are administered in accordance with the provisions of 7 AAC 78 and 7 AAC 81. The sources of funds are federal as well as state general funds. Appropriated grant funds are distributed by the grant process to non-profit organizations as well as Alaska native tribes or local governmental agencies. Grants are awarded for a specific number of beds for a specific type of program service in a specific geographic area.

## **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

### **A. TYPES OF SERVICES ALLOWED OR UNALLOWED -**

1. **Compliance Requirement:** Under AS 47.40.011, Purchase of Services, the Department purchases residential services for minors for whom the State has assumed responsibility under AS 47.10 - 47.12, as well as youth not in the custody of the state. These services are provided within emergency stabilization and assessment programs, residential treatment programs and intensive residential treatment programs.

#### **Suggested Audit Procedures:**

- a) Review grant award (GA) including all conditions;
- b) Review grant revisions and related transmittal letters;
- c) Review licenses, certifications, approvals, status of private non-profit corporation, if applicable;
- d) Review budget documents including final revised budget and budget narrative; and

2. **Compliance Requirement:** Costs allowed or unallowed under this program are specified by grant regulations 7 AAC 53.900 - 7 AAC 53.999 7 AAC 78, and 7 AAC 81, as well as budget document and special conditions.

#### **Suggested Audit Procedures:**

- a) Review Department of Health grant regulations 7 AAC 53, 7 AAC 78, 7 AAC 81 and budget documents.
- b) Test financial and related records to determine the appropriateness of costs per 7 AAC 53.900 - 7 AAC 53.999, 7 AAC 78 and 7 AAC 81.

# DOH PROGRAM 10 – RESIDENTIAL CHILD CARE PROGRAM

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- c) Determine whether expenditures are within the budget limits prescribed by 7 AAC 53.900 - 7 AAC 53.999 and 7 AAC 78.260(f)(1).

## **B. ELIGIBILITY -**

**Compliance Requirement:** The recipient must be a non-profit organization, Alaska Native Tribe or a political subdivision meeting the requirements of 7 AAC 78.030. The programs are all required to be Medicaid providers under the State DHCS system.

### **Suggested Audit Procedures:**

- a) Review articles of incorporation or other appropriate documents, licenses, certifications, and approvals, to determine status of agency.
- b) Review for Medicaid provider number or application in process.

## **C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -**

**Compliance Requirement:** None, unless specified in the grant documents.

### **Suggested Audit Procedures:**

- a) Review final grant award to identify the required level of local match;
- b) Review the agency's accounting records to determine whether local match has been contributed to the project according to the terms and conditions of the grant.

## **D. REPORTING REQUIREMENTS -**

- 1. **Compliance Requirement:** The agency must submit quarterly activity and expenditure reports no later than 30 days after the close of each quarter and a final expenditure report within 30 days of the last day of the grant year.

### **Suggested Audit Procedures:**

- a) Confirm if such reports are being filed timely;
- b) That reported revenues and expenditures agree with the agency's general ledger; and
- c) Those expenditures are within the budget limits or grant provisions.

- 2. **Compliance Requirement:** The agency's audit report must present a statement of revenue and expenses, budget and actual, for each state grant. Such statements must show, for each state fiscal year grant, the final approved budget by line-item category, actual revenues and expenditures and variance between budgeted and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

**Suggested Audit Procedures:** Review grant regulation 7 AAC 78.230(e) and 7 AAC 81.160(c) to review audit report for compliance with the above.

## DOH PROGRAM 10 – RESIDENTIAL CHILD CARE PROGRAM

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3. **Compliance Requirement:** The agency must clearly show on their audit report any outstanding liability to the State as payable to the State. This includes unspent grant funds and disallowed costs.

**Suggested Audit Procedures:**

- a) Determine whether or not the agency has any outstanding liability to the State.
- b) Review grant regulations 7 AAC 78.230(e) and 7 AAC 81.160(c).
- c) Review audit report to ensure proper presentation.

**E. SPECIAL TESTS AND PROVISIONS -**

**Compliance Requirement:** The agency must act upon any recommendations made by program site review.

**Suggested Audit Procedures:** Obtain copy of program site review; and determine if recommendations in the site review are being implemented.