

County of Solano  
Office of the Auditor-Controller



**Review of  
Anka Behavioral Health, Inc.'s  
Compliance with Solano County  
Sheriff's Office Contract**

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**Report No. 2017\_24**

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## INTRODUCTION

Pursuant to the Fiscal Year 2017/18 Audit Plan, we reviewed the Solano County Sheriff's Office (Sheriff) service contract with Anka Behavioral Health, Inc. (Anka). We conducted our review in accordance with Auditing Standards Generally Accepted in the United States of America as developed by the American Institute of Certified Public Accountants and *International Standards for the Professional Practice of Internal Auditing* as developed by the Institute of Internal Auditors.

## BACKGROUND

Anka is located in Concord, CA and provides services throughout California. Anka is a non-profit 501(c)(3), healthcare corporation providing integrated care and person-centered planning to people with complex service needs. Anka's philosophy is to treat the whole person by fully integrating care of both mind and body, using clinically-proven, psycho-social models designed to promote health and wellness while containing costs.

Anka designs, implements, and operates programs to promote recovery and resiliency in a positive environment. Anka provides home-like facilities, crisis residential treatment, transitional and long-term residential services, outpatient and vocational services, supported living, full-service partnerships, homeless continuum of care, and forensic mental health services.

On May 1, 2015, the Sheriff contracted with Anka to provide programming aimed at decreasing substance abuse relapse and criminal behavior in the population serviced within the Solano County Jail. Services provided by Anka are culturally and demographically appropriate to meet the psychosocial needs of the participant. Services provided include a brief intake, psychosocial assessment, individualized service planning, individual counseling, group counseling, transition/discharge planning, and referrals for other supports or needed services. Solano County reimbursed Anka monthly for fees and expenses incurred in the prior month in accordance with contractual requirements.

**Table A: Contract with Sheriff's Office**

Contract #	SO-0515
Award	\$849,986 for the period from May 1, 2015 to June 30, 2017.
Amendment	Made on September 28, 2015, adjustment and reduction of staffing pattern to \$764,819.

Effective January 22, 2018 the Sheriff's Office exercised the 30-day written notice clause (Exhibit C, Section 4) to terminate services with Anka.

## **OBJECTIVE**

The objective of our review was to determine the propriety of Anka's claims submitted for reimbursement by the County and to determine Anka's compliance with the fiscal contractual terms and conditions.

## **SCOPE AND METHODOLOGY**

The scope of our review was limited to the reimbursement of program costs for services provided from May 1, 2015 through June 30, 2017. To achieve our objective, we performed the following:

- Interviewed Anka and Solano County Sheriff's Office staff and management.
- Reviewed policies and procedures and reports.
- Reviewed Anka's accounting records and its claims for reimbursement.

Our consideration of Anka's internal control structure was limited to gaining an understanding of the internal controls as they related to providing the related services defined in the contract. We relied primarily on detailed testing procedures to substantiate the propriety of expenditures and for determining compliance with contract terms and conditions.

Our review did not include an assessment of the program's effectiveness in providing the contracted services.

## **CONCLUSION**

Based upon our review, Anka's claims submitted for reimbursement appear proper and in compliance with fiscal contractual terms and conditions in all material respects. However, our review did disclose some minor variances between Anka's records and the claims submitted for reimbursement that warrant discussion in the section below.

The Auditor-Controller's Internal Audit Division thanks the Sheriff's Office and Anka for their time and cooperation during our review.

The item on the next page provides a description of the identified opportunity for improvement.

## **OPPORTUNITY FOR IMPROVEMENT**

Anka pays employees on a bi-monthly basis. We tested six months of payroll information from May 1, 2015 to June 30, 2017. Based upon our review, we noted some minor variances in the supporting documentation Anka uses to generate its claims for reimbursement. For example, one variance was resolved as attributable to a one-time retroactive salary payment and other variances were determined to be clerical errors. Although minor in nature, they required additional audit time to verify.

Exhibit C, Section 12(C)(2) requires the contractor to document all costs by maintaining complete and accurate records of all financial transactions associated with the contract.

Anka did not appear to reconcile all accounting records prior to submitting invoices to the Sheriff's Office. Timely reconciliations help ensure accurate accounting records and claim submittals.

### **Recommendation:**

Anka should implement a system requiring management review and approval of claims submitted for reimbursement after accounting records have been reconciled.