

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
Office of Internal Control and Policy Development
Division of Compliance and Monitoring

REPORT COVERSHEET
WV Code §12-4-14(d)(3) & CSR §148-18-7.5

Name of Organization:	WVFIMS Vendor
West Virginia Telehealth Alliance, Inc	524156
Type of Report / Communication:	
Agreed-Upon Procedures	
Grantee's Fiscal Year:	
December 31, 2010	
State Fiscal Year:	
2010	
Grant and Commitment Numbers:	
G100400 (C318387)	
Date Report Received by DHHR:	
1/11/2013	
Date Audit Received by DHHR, if applicable:	

Comments:

Review Item	Yes	No	Ref.
<p>References Used: WV Code §12-4-14 & Legislative Rule §148-18</p> <p><i>The reviewer should respond to each question with a check mark in the appropriate column. A "Yes" response is considered favorable and generally means the report complies with the reporting requirements. A "No" response is considered unfavorable which could possibly require action to correct the reporting deficiency and should be referenced in the Notes section of this review checklist.</i></p> <p><i>This checklist is neither all-inclusive nor intended to cover all reporting requirements that may be applicable to a particular WV Code §12-4-14 report.</i></p>			
<p>1. Does the report identify the following: (Legislative Rule 148-18-3 3.1)</p> <p>a. Amount of state grant award?</p> <p>b. Receipts of funds?</p> <p>c. Expenditures of funds?</p> <p>d. Time period being reported?</p>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> 	
<p>2. Does the report identify the scope of the report, which is to show that state grants were spent for the intended purposes? (WV Code §12-4-14(b)(3) and Legislative Rule §148-183 2)</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<p>3. Do the findings include any matters that could negatively affect or have a negative result on administration of the state grant and/or related program? (Legislative Rule §148-18-7.5)</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<p>4. Does the report contain any evidence of a reportable condition, significant deficiency, or violation, including deficiencies in internal control; illegal acts; violation of the provision of a contract or grant agreement; errors, or abuse that are required to be reported to the West Virginia Legislative Auditor within 30 days of receipt by the grantor? (WV Code 12-4-14(d)(3) & Legislative Rule §148-18-7.5)</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A

Reference	Notes
A	Finding: Various expenditures charged to the grant were for services rendered outside of the grant agreement. This is totaled at \$59,096.25.

Ware & Hall, PLLC

Certified Public Accountants

The River Tower, Suite 601, 1108 3rd Avenue
Post Office Box 819, Huntington, West Virginia 25712-0819
Telephone: (304) 525-7202 Fax: (304) 525-7282

Daniel J. Ware, CPA
William L. Hall, CPA

Members of
American Institute of
Certified Public Accountants
WV Society of Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

West Virginia Telehealth Alliance, Inc.
6354 US Route 60 E. #9
Barboursville, WV 25504

We have performed the procedures enumerated below, which were agreed to by the West Virginia Telehealth Alliance, Inc. and the West Virginia Department of Health and Human Resources (the specified parties), solely to assist you with respect to the grant receipts and expenditures charged to Grant Agreement Number G100400 for the grant period of June 15, 2009 to June 14, 2010. West Virginia Telehealth Alliance, Inc.'s management is responsible for the receipt and expenditure of the state grant funds as intended by the grant agreement and as reported on the quarterly expenditure reports. The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of these parties specified in this report. Consequently we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

A. Procedures:

1. Review the grant agreement and any related documents (e.g. statements of work, budgets, change orders, program directives, regulations, etc.) to ascertain the purpose for which the funds were awarded and the terms and conditions associated with the state grant.
2. Verify whether funds received under the grant were correctly authorized, recorded and deposited into the appropriate organizational accounts.
3. Review all costs and related transactions associated with the grant to verify whether:
 - a. Costs were approved by the West Virginia Department of Health and Human Resources, if required.
 - b. Costs conform to the allowability of costs provisions or limitations in the program agreement, program regulations, or program statute.
 - c. Costs represent charges for actual costs, not budgeted or projected amounts.

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- d. Costs are given consistent treatment within and between accounting periods. Consistency in accounting requires that costs incurred for the same purpose, in like circumstances, be treated as either direct costs only or indirect costs only with respect to final cost objectives.
 - e. Costs are net of all applicable credits (e.g. volume or cash discounts, insurance recoveries, refunds, rebates, trade-ins, adjustments for checks not cashed, and scrap sales).
 - f. Costs are not included as both a direct-billing and as a component of indirect costs.
 - g. Costs are supported by appropriate documentation (e.g. approved purchase orders, receiving reports, vendor invoices, cancelled checks, and time and attendance records), and correctly charged as to account, amount and period.
4. Inquire and report upon the status of any findings, contingencies or other deficiencies discovered during the current engagement or described in any prior agreed-upon procedures report (if applicable) that could negatively affect administration of the Department of Health and Human Resources grant and related program.

B. Findings:

It was noted that various expenditures charged to the grant were for services rendered prior to the grant starting date of June 15, 2009 and after the grant ending date of June 14, 2010. These expenditures, totaling \$59,096.25, are detailed on the attached schedule to this report.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the grant receipts and expenditures of Grant Agreement Number G100400. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of West Virginia Telehealth Alliance, Inc. and West Virginia Department of Health and Human Resources and is not intended to be and should not be used by anyone other than those specified parties.

Wane & Hall PLLC

December 28, 2012

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West Virginia Telehealth Alliance, Inc.					
Schedule to Independent Accountant's Report on Applying Agreed Upon Procedures					
State Grant Number G 100400, WV Department of Health and Human Resources					
Grant Period of June 15, 2009 to June 14, 2010					
	Vendor	Invoice Number	Period of Service	Total Charge to Grant	Amount of Exception Noted
Exceptions Noted:					
Expenditures Charged to the Grant Incurred Prior to the Start Date of June 15, 2009:					
	Dellicker Strategies	763	April, 2009	10,416.66	10,416.66
	Dellicker Strategies	779	May, 2009	10,416.66	10,416.66
	Dellicker Strategies	796	June, 2009	10,416.66	5,208.33
	Dream Catcher Creative, LLC	8650	May 2008 - May 2010	480.00	270.00
Expenditures Charged to the Grant Incurred After the End Date of June 14, 2010:					
	Christopher A. Budig	114	June, 2010	6,000.00	3,000.00
	Christopher A. Budig	115	July, 2010	6,000.00	6,000.00
	Christopher A. Budig	116	August, 2010	2,973.72	2,973.72
	Community Health Network of WV, Inc.	2857	June, 2010	4,000.00	2,000.00
	Community Health Network of WV, Inc.	2880	July, 2010	4,000.00	4,000.00
	Community Health Network of WV, Inc.	2881	June, 2010	395.00	197.50
	Community Health Network of WV, Inc.	2882	July, 2010	404.50	404.50
	Dellicker Strategies	995	June, 2010	10,000.00	5,000.00
	Dellicker Strategies	1012	July, 2010	4,500.00	4,500.00
	Dellicker Strategies	1105	August, 2010	1,490.00	1,490.00
	Dream Catcher Creative, LLC	8781	June, 2010	24.95	12.48
	Lewis Glasser Casey & Rollins	21	6/16/10 - 8/10/10	3,206.40	3,206.40
	Total Exception Amount				59,096.25

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**West Virginia
Telehealth Alliance**

6354 US Route 60 E., Suite 9, Barboursville, WV 25504

December 28, 2012

Ware & Hall, PLLC
PO Box 819
Huntington, WV 25712-0819

RE: Ware & Hall report on procedures for WVDHHR Grant #100400

In reference to the item listed in the Report on Applying Agreed Upon Procedures under B. Findings:

"It was noted that various expenditures charged to the grant were for services rendered prior to the grant starting date of June 15, 2009 and after the grant ending date of June 14, 2010. These expenditures, totaling \$59,096.25, are detailed on the attached schedule to this report."

Although it was not included in the grant document itself, conversations were held with the WVDHHR office concerning these items and the use of Grant funds for both time periods were approved. The first quarterly Receipts and Expenditures report submitted to the WVDHHR, along with the request for the first installment payment, included the cost of the items in question from April, 2009 to June, 2009. This report was received and approved by the WVDHHR and funds were released, indicating acceptance of costs in this time period. The same is true for the costs incurred after June 14, 2010. We therefore believe we are in compliance and that this finding should be removed.

Sincerely,

Linda E. Kelly
Finance Manager
WV Telehealth Alliance, Inc.

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**West Virginia Department of Health & Human Resources
Sworn Statement of Grant Receipts and Expenditures**

This document is intended to be completed by the grantee and returned to the grantor. The grantor shall retain a copy of this document for its records.

Grant Number: GM100400	Grantee Name: West Virginia Telehealth Alliance, Inc.	
Grantee EIN: 70-8962342	WV DHHR Vendor ID: 523156	Contact Person Name: Sonia Doherty
Grantee Mailing Address: 6354 US Route 60 E, Suite 9, Leitchfield, WV 25504		
Total Grant Amount: \$250,000.00	Period Covered: 07/1/09 to 06/30/10	

Grant Receipts				
Invoice Number	Invoice Period Covered	Invoice Amount	Date Received	Amount Received
4	07/01/09 - 07/31/09 - Install 1	\$31,250.00	07/31/09	\$31,250.00
7	07/01/09 - 07/31/09 - Install 2	\$31,250.00	08/31/09	\$31,250.00
9	07/16/09 - 12/31/09 - Install 3	\$62,500.00	12/31/09	\$62,500.00
10	01/15/10 - Install 4	\$62,500.00	02/05/10	\$62,500.00
14	03/31/10 - Install 5	\$62,500.00	04/22/10	\$62,500.00
Total Grant Receipts				\$250,000.00

Grant Expenditures		
Expenditures	Description/Examples	Amount Expended
Personnel	Salaries and Wages	
Fringe Benefits		
Equipment and Other Capital Expenditures		
Materials and Supplies	Office Supplies, Postage, Travel	
Professional Service Costs	Contract, Lease Fees	\$297,622.79
Rental Costs	Office Space, Furniture	
Other	Telephone Utilities, TRS, etc.	\$12,357.21
Subgrants		
Indirect Cost		
Total Grant Expenditures		\$250,000.00

Ending Funds Balance (Receipts - Expenditures) _____

This is to certify that I have reviewed the Statement of Grant Receipts and Expenditures submitted herewith and to the best of my knowledge and belief, said statement represents all financial activities related to the receipt, use and expenditure of funds granted by the State of West Virginia, Department of Health and Human Resources to:

West Virginia Telehealth Alliance, Inc. and that the expenditures reported were for the purposes intended and in compliance with the applicable Federal regulations and terms and conditions of the grant document. The Statement of Grant Receipts and Expenditures is presented on this _____ day of _____, 2010, and is supported by the financial records and related documentation.

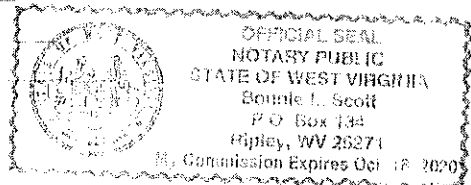
Affirmed Signature: _____ Date: 1/11/13

Printed Name and Title: _____

I swear and subscribe to the truth of the foregoing on this _____ day of _____, 2010.

Notary Public Signature: _____

My Commission Expires: _____



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JAN 11 2013

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Grant Listing by WVFIMS # and SFY

WVFIMS Vendor #

524156 West Virginia Telehealth Alliance

DBA:

6354 US Route 60 E Suite 9 Barboursville WV 25504

Contact Name: Lawrence Malone Contact Title: Chairman

Phone: (304) 204-1617

Affiliated Grantee WVFIMS # 0

Grantee FYE 12/31

2nd Address Exists? No

FSPB? No

Non-Profit Organization

Fax: 8667160197

FEIN: 208962352

G100400

Commitment # C318387

DHHR Spending Unit Office of the Secretary

Health Care Authority

Grant Period: 06/15/2009 to 06/14/2010

GACFED Results Under

Org Fed Amount	Org State Amount	Original Total Grant Award	Change Order #	Change Order Fed Amt	Change Order State Amt
\$ 0.00	\$ 125,000.00	\$ 125,000.00	1	\$ 0	\$ 125,000.00

Revised Grant Period: to

Current Federal Amount	Current State Amount	Current Total Grant Award
\$ 0	\$ 250,000.00	\$ 250,000.00

Total Grantees 1 Total Grants Awarded 1