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:	altuktu epitti jävitti joulusuusisississa Niisto, samaallata usutaiseltiisissa

Comments:

	Review Item	Yes	No	Ref.
Refere	ices Used: WV Code §12-4-14 & Legislative Rule §148-18			
columr compli which c	iewer should respond to each question with a check mark in the appropriate A "Yes" response is considered favorable and generally means the report s with the reporting requirements A "No" response is considered unfavorable ould possibly require action to correct the reporting deficiency and should be sed in the Notes section of this review checklist			
	cklist is neither all-inclusive nor intended to cover all reporting requirements that applicable to a particular WV Code §12-4-14 report.			
1.	Does the report identify the following: (Legislative Rule 148-18-3 3.1)		Albert Comments	
	a. Amount of state grant award?			
	b. Receipts of funds?	\boxtimes		
	c. Expenditures of funds?			
	d. Time period being reported?			
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)	\boxtimes		
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)		\boxtimes	
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)			A

Reference	Notes - Notes
А	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:

- 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.
- 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.

December 28, 2012

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West Virginia Telehealth Alliance, Inc.				H-10-11-11-11-11-11-11-11-11-11-11-11-11-
Schedule to Independent Accountant's Rep	ort on Appl	ying Agreed Upon Proced	lures	
State Grant Number G 100400, WV Departm				
Grant Period of June 15, 2009 to June 14, 2				
Vendor	myorce	Period of	Total	Amount of
	Number Service	Charge to	Exception	
			Grant	Noted
Exceptions Noted:				
Expenditures Charged to the Grant Incur	red Prior to th	ne Start Date of June 15, 20)09:	
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 Incur	red 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		- With and administration of the control of the con		59,096.25

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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.

NHHR - Finance

DEC 28 2012

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West Mighia Department of Health & Human Resource: Sworn Statement of Grant Receipts and Expenditures

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G#100400	A est Virginia Telebratta All ar	or Inc	p., garage (p. 1900)	
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PO Box 134 Ripley, WV 25274 In Commission Expires Oct 16 2020

Grant Listing by WVFIMS # and SFY

WVFIMS Vendor#

524156

West Virginia Telehealth Alliance

DBA:

6354 US Route 60 E Suite 9

Barboursville

WV 25504 Grantee FYE 12/31

2nd Address Exists? Nο

> FSPB? No

Affiliated Grantee WVFIMS # 0

Contact Name: Lawrence Malone

Contact Title: Chairman

Non-Profit Organization

8667160197

(304) 204-1617

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 Fed Amt Change Order State Amt

\$ 0.00

\$ 125,000.00

\$ 125,000.00

Change Order #

\$ 0

FEIN: 208962352

\$

125,000.00

Revised Grant Period:

to

Current Federal Amount

\$ 0

\$ 250,000.00

\$ 250,000.00

Total Grantees

1

Total Grants Awarded

1

1