

5122:1-5-01                    **Annual budget, financial reporting and independent financial audit requirements.**

(A) The purpose of this rule is to establish annual budget, financial reporting, and independent financial audit requirements for community mental health ~~agencies~~services providers or community addiction services providers (services provider) certified by the department in accordance with section ~~5119.611~~5119.36 of the Revised Code.

(B) Annual budget requirements

All certified ~~community mental health agencies~~service providers shall have an annual revenue and expenditure budget that has been approved by the board of directors of the ~~community mental health agency~~service provider prior to the beginning of each fiscal year.

Budgetary revisions made during the fiscal year shall be documented and approved by the board of directors of the ~~community mental health agency~~service provider.

(C) Financial reporting requirements

(1) The ~~community mental health agency~~service provider shall prepare periodic, and, at minimum quarterly, financial statements that reflect the fiscal transactions and current financial position of the agency.

(a) These periodic statements shall be brought to the attention of the ~~agency's~~provider's board of directors on at least a quarterly basis; and

(b) Minutes of the meetings of the ~~agency~~provider's board of directors must reflect that the periodic financial statements have been reviewed by the board.

(2) ~~Community mental health agencies~~Certified service providers shall account for funds and report costs in compliance with all applicable federal and state rules and regulations.

(3) Where applicable, each ~~community mental health agency~~service provider shall assure that federal, state, and local funds are spent in accordance with grant agreements, assurances, contracts and federal cost principles, as each requirement related to the source of funds and the funding agency.

(D) Independent financial audit requirements

(1) All certified ~~community mental health agencies~~service providers that receive funds that originate from ~~and/or pass through the alcohol, drug addiction and~~

~~mental health/community mental health (ADAMH/CMH) a~~ board alcohol, drug addiction, and mental health services, ~~and/or~~ the Ohio department of mental health and addiction services, shall have an independent financial audit conducted annually.

- (a) This audit shall be performed by an independent certified public accounting firm in accordance with auditing standards defined by the comptroller general of the United States;
  - (b) This audit shall be performed utilizing any applicable guidelines, rules, or agreed upon procedures established by the Ohio department of mental health and addiction services; and
  - (c) A copy of the audited financial statements, the audit report, and any management letters issued by the independent accounting firm, must be submitted to the Ohio department of mental health and addiction services, office of ~~fiscal services~~ financial management, within one hundred eighty days after the end of the state fiscal year. A copy must also be sent to the local ~~alcohol, drug addiction and mental health/community mental health (ADAMH/CMH) board~~ of alcohol, drug addiction, and mental health services in which the ~~agency's~~ provider's primary place of business is located.
- (E) Programs that do not receive funds that originate from ~~and/or~~ pass through the ~~alcohol, drug addiction and mental health/community mental health board and/~~ board of alcohol, drug addiction, and mental health services or the Ohio department of mental health and addiction services must have, at a minimum, an audit conducted in accordance with generally accepted auditing standards.

Effective: 2/2/2018

Five Year Review (FYR) Dates: 11/15/2017 and 02/02/2023

CERTIFIED ELECTRONICALLY

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Certification

01/22/2018

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Date

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