

McKinley County issues special audit deadline to RMCHCS

Written by By Cody Begaye Sun Correspondent
Friday, 27 September 2019 09:44



Hospital CEO says agreement reached

After spending months negotiating the terms for a special audit, McKinley County appeared to have drawn a line in the sand for Rehoboth McKinley Christian Health Care Services.

The county gave a deadline of closing time Sept. 23 for the hospital to turn over financial documents, including the general ledger for 2015 through 2018, bank statements, annual reports on mill levy expenditures, and plans for mill levy funds, according to McKinley County Attorney Doug Decker.

The hospital's financials are needed for a forensic audit to verify how mill levy funds are being used, according to McKinley County Chairman Bill Lee in a previous statement.

Decker said in a Sept. 12 phone call this is the last deadline the county would give.

"It has been well over a year where we've been working to get this done," Decker said.

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County Manager Anthony Dimas said the notice was given to RMCHCS on Aug. 28, which set an initial deadline for Sept. 9. However, he said the hospital wanted time to gather its Board of Directors to prepare a response, so the final extension of Sept. 23 was given.

The forensic audit was discussed in closed session during the McKinley County Board of Commissioners regular meeting Sept. 17.

Commissioner Billy Moore said the only item on the agenda at that meeting concerned the county's call for a forensic audit, as presented in the letter to RMCHCS. No public comments were given at the meeting.

However, David Conejo, CEO of RMCHCS, said in a Sept. 18 phone call that the two parties have seemingly reached an amicable and satisfactory solution.

"What we've agreed to is to provide copies of [financial] info they need," Conejo said. "We are hopeful for a positive outcome that both parties can agree to that satisfies any concerns they might have."

With the latest solution that appeared to satisfy both parties in place, Conejo said the next step is to wait and see what the results of the forensic audit are.

"The audit results should be a validation of the manner in which we conduct business," he said.

HOW WE GOT HERE

In July, the *Sun* reported on the negotiations over the terms of a forensic audit of RMCHCS at the request of McKinley County to track the hospital's spending of mill levy funds, a property tax based on the assessed value of a property.

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Lee said in June this forensic audit would be an opportunity for the hospital to clear the air on allegations of misspending and negative reports on the hospital's fiscal management, which were targeted in a series of stories run by a local publication.

But complications arose when Conejo said he did not want the hospital's financial documents to leave the hospital and be taken offsite to Albuquerque for review, and any external auditors would have to come to the hospital to review their books.

Conejo said this was because he wanted the hospital to receive an onsite audit the way other entities that receive county funds have.

After this development, McKinley County and RMCHCS entered into a deadlock over the forensic audit terms. While it appeared a solution between the two parties was reached several times, each of those arrangements eventually fell apart.

Lee previously mentioned if the hospital did not comply, the county would have to refer the case to the state auditor, who would then determine the next course of action.

By Cody Begaye
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