

Department of Public Health

Department of Public Health Background

The Department of Public Health (Department) protects public health through a wide variety of activities. The Department monitors the quality of the Commonwealth's health care facilities and regulates the environment, health and sanitation of food, drugs and other consumer products. Through its hospitals, it provides direct care services, inpatient hospital care and education, with special emphasis on populations not adequately treated by the voluntary and private sectors.

Through its providers and various outreach programs, the Department provides a broad range of preventative and health promotion services. Environmental health education informs the public about hazardous substances in the workplace. The maternal and child health program offers specialized health care for high-risk infants to help curb infant mortality and prevent later health complications. Substance abuse services include education, counseling and youth intervention programs. The Childhood Lead Poisoning Prevention Program provides over 300,000 blood analyses annually to detect lead content. The AIDS Bureau provides AIDS testing, preventative education, and coordinates with the substance abuse services to raise public awareness of the relationship between AIDS and substance abuse. Other outreach operations provide blood pressure and cholesterol screening and nutritional information and training. They also immunize children and adults and monitor communicable diseases. Through the Special Supplemental Food Program for Women, Infants and Children, food supplements are made available to mothers and their children.

For fiscal year 1999, the Department administered approximately \$ 642 million. Of this amount, federal funds amounted to \$ 173 million.

The federal funding to this Department is detailed in the accompanying Schedule of Expenditures of Federal Awards. The Department's major programs were:

CFDA #	Federal Program Description
10.557	Special Supplemental Food Program for Women, Infants and Children
93.959	Block Grants for Prevention and Treatment of Substance Abuse
93.917	HIV Care Formula Grants
93.940	HIV Prevention Program
93.268	Immunization Program

Findings on Compliance with Rules and Regulations

Finding Number 27: Inadequate Subrecipient Monitoring

The Department of Public Health (Department) needs to improve its monitoring policy for subrecipients. OMB Circular A-133 §____.400(d)(4)(5) states that a pass-through entity shall ensure that subrecipients expending \$300,000 or more in federal awards during the subrecipient's fiscal year have met the audit requirements for that fiscal year, issue a management decision on audit findings within six months after receipt of the subrecipient's audit report, and ensure that the subrecipient takes appropriate and timely corrective action.

The Operational Services Division (OSD) established the Audit Resolution Policy for Human and Social Services, which states "The Department must require prompt resolution and corrective action on audit recommendations. The Department must issue a management decision on audit findings within six months after the receipt of the Contractor's audit report and corrective action, and ensure that the Contractor takes appropriate and timely corrective action. Corrective action should proceed as rapidly as possible. The purchasing Department must provide a means to ensure timely responses to the independent auditor's reports if the Contractor responses have not been incorporated into the independent auditor's report. The process must provide sufficient time to permit resolution to take place within the six month period."

During the testing of 16 subrecipients involved in the Substance Abuse Prevention and Treatment Block Grant (SAPT) and HIV Prevention Program, 1 audit report was not received and reviewed and the management decision was not issued within the 6 month timeframe required by The OSD Audit Resolution Policy. (*Department of Health and Human Services- Substance Abuse Prevention and Treatment Block Grant 93.959 and HIV Prevention Activities – Health Department Based 93.940*)

Recommendation

The Department should develop and implement written procedures to ensure that it receives and reviews audit reports and issues management decisions within the required 6 month period.

Department Corrective Action Plan

In fiscal year 1999, the Department hired an internal auditor, whose duties include the management of the pre-qualification and re-qualification process. This individual, along with three other POS staff who have multiple responsibilities, reviews and evaluates Uniform Financial Report (UFR) and pre-qualification information for about 350 providers for which the Department is the principal purchasing agency. Part of their duties is to follow up on identified corrective action plans on selected providers within the year for which the pre-qualification certification was issued. Because of limited capacity, such follow up would take place based on the perceived significance of the findings and not on 100% of the providers with CAPs. This process commences in November, when UFRs are due to the Department and to OSD. However, because UFR submission, review and evaluation is tied to the Commonwealth's pre-qualification process, completion of the certification process must await the issuance of prequal forms and instructions from EOHHS, which must be mailed to providers, and

returned by them in completed form. Such forms and instructions were not issued by EOHHS until February 1999.

Resolution of the issues identified with the provider cited had been delayed because of a misunderstanding on the part of our new internal auditor regarding Commonwealth policy concerning the disposition of cost reimbursement billings. This misunderstanding was communicated to the provider by the internal auditor prolonging the pre-qualification process. This provider had also been assigned a conditional status pending resolution of the outstanding issues. However, the internal auditor did not realize that the conditional status had to be formally recorded in the provider's prequalification folder and the provider notified. Hence, it appeared that the provider had no status at the time of the single audit review.

With only one instance cited from the 16 selected for testing, our compliance rate in this area was better than 93%. The Department will strengthen existing procedures and create an electronic monitoring application to identify potential problems on an ongoing basis to affect timely resolution. The Department person responsible for implementation is Paul Kerrigan, Purchase of Service Director. Expected implementation is December 31, 1999.

Findings on Compliance with Rules and Regulations

Finding Number 28: Expenditures in Progress Report did not Agree with MMARS

The HIV Care Formula Grant award required that the 1998 third quarter progress report be filed with the 1999 annual grant application. Included in the third quarter progress report was Table 2 which reported all expenditures for the federal grant period April 1, 1998 to December 31, 1998. The AIDS Bureau within the Department of Public Health (Department) was responsible for the submission of this report and the accuracy of the expenditures reported in Table 2. The AIDS Bureau provided to us the results of an internal database query as support for all but five contracts included in Table 2. The support differed from the expenditures reported in Table 2 by about \$400,000 because the AIDS Bureau did not report actual subrecipient expenditures. Instead it reported expenditures up to the contract award amount. Although the total grant award was not exceeded, some of the subrecipients exceeded their individual contract awards.

The Common Rule Subpart C § __.20, Standards for Financial Management Systems, requires accurate, current and complete disclosure of the financial results of federally-assisted activities. A formal system should be in place that would enable the AIDS Bureau to report actual expenditures in the progress report and request a re-direction of funds when certain contracts have exceeded the contract award. (*Department of Health and Human Services – HIV Care Formula Grants 93.917*)

Recommendation

The Department should develop and implement written policies and procedures for reporting actual expenditures and requesting, when necessary, a re-direction of funds from the federal government.

Department Corrective Action Plan

The Department has developed and implemented written policies and procedures, which ensure Table 2 data is collected from the Information Warehouse [IW] and is reconciled to MMARS. These procedures are currently on file in the Department Accounting Division. The Department person responsible for the implementation was Jean McGuire, Director of the Aids Bureau.

Findings on Reportable Conditions

Finding Number 29: Monitoring of Documentation Needs Improvement

Federal regulation, 42 U.S.C. Section 300x-22 of the Substance Abuse Prevention and Treatment Block Grant (SAPT) requires the state to expend each year an amount equal to the amount expended for fiscal year 1994 on treatment services designed for pregnant women and women with dependent children. The State may request a waiver from the Secretary of Health and Human Services.

The Bureau of Substance Abuse does not appear to have a system of written procedures which monitors the timely compliance with the pregnant women and women with dependent children level of effort as required by the grant award and the Common Rule [See §____.40, Monitoring and Reporting Program Performance]. The text states that "Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function, or activity."

The calculation prepared to determine the expenditure level prepared by the Bureau of Substance Abuse showed no evidence of review and contained errors totaling about \$105,000. Despite these errors in the calculation, the Department remained in compliance with the requirement. (*Department of Health and Human Services - Substance Abuse Prevention and Treatment Block Grant 93.959*)

Recommendation

The Department should develop and implement written procedures to document the level of effort calculation and require timely management review.

Department Corrective Action Plan

The Department will develop and implement written procedures that will be used to document the level of effort calculation as required by the grant award and will ensure timely review by the appropriate program director. The DPH person responsible for implementation is Sarah Bachrach, Deputy Director of the Bureau of Substance Abuse Services. Expected implementation is March 31, 2000.

Findings not Repeated from Prior Years

1. The Department needed to develop and implement a departmental policy requiring each employee who works entirely on one federal award to sign a certification that the employee did

in fact work on the specific federal award during a semi-annual period. The Department implemented a certification form, which is required to be signed semi-annually. (*Fiscal Year 1998 Single Audit Finding 34*)

2. The Department's HIV Care Formula Grant had inadequate record retention to support filed financial reports. The Department implemented written policies and procedures for reporting obligated amounts and retaining accurate accounting information that supports the reports filed with the federal government. (*Fiscal Year 1998 Single Audit Finding 35*)
3. The Department's Bureau of Substance Abuse Services program monitoring documentation needed improvement. The Department implemented written procedures which document the set aside requirement calculation and the procedures for timely monitoring. (*Fiscal Year 1998 Single Audit Finding 36*)
4. The Bureau of Substance Abuse Services monitoring of obligated funds needed improvement. The Department implemented written procedures that enable it to define and monitor obligated funds by analyzing the state plan in comparison to actual expenditures and encumbrances on a timely basis. (*Fiscal Year 1998 Single Audit Finding 37*)
5. The Department's HIV Care Formula Grant did not maintain adequate accounting records to support earmarking compliance. The Department implemented written policies and procedures to monitor administrative and planning/evaluation earmarking requirements and record retention, which enable the Department to retain accurate accounting information, which supports compliance. (*Fiscal Year 1998 Single Audit Finding 38*)
6. The Department' HIV Care Formula Grant documentation supporting 15% earmarking requirement needed improvement. The Department implemented written policies and procedures to monitor 15% earmarking compliance requirement that enables the Bureau to consistently calculate compliance from year to year. (*Fiscal Year 1998 Single Audit Finding 39*)
7. The Department's HIV Prevention Program inadequately monitored filing deadlines. The Department implemented written procedures, which document the filing date for each quarterly report submitted to the CDC. (*Fiscal Year 1998 Single Audit Finding 40*)

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