
INTEROFFICE MEMORANDUM

DATE: February 15, 2011

TO: James D. Boyd, C.P.A., M.B.A., Inspector General

THROUGH: Michael J. Bennett, C.I.A., Director of Auditing

FROM: Mark H. Boehmer, C.P.A., Management Analyst, Level 4

SUBJECT: Review of *Osceola CHD's Increase Services to Health Centers and Capital Improvement Program American Recovery and Reinvestment Act of 2009 Funds*

ACTION

REQUIRED: Review

DUE DATE: N/A

Please find attached the report draft of the review, *Osceola CHD's Increase Services to Health Centers and Capital Improvement Program American Recovery and Reinvestment Act of 2009 Funds*.

With the signatures below, the report is considered final, and approved for publication.



Mark H. Boehmer, C.P.A.
Lead Auditor

FEB 15, 2011

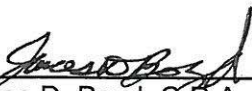
Date



Michael J. Bennett, C.I.A.
Director of Auditing

2-15-11

Date



James D. Boyd, C.P.A., M.B.A.
Inspector General

2-16-11

Date

MHB
attachment



INTEROFFICE MEMORANDUM

DATE: February 15, 2011

TO: Michael Sentman, Assistant Deputy Secretary for Health

THROUGH: James D. Boyd, C.P.A., M.B.A., Inspector General

THROUGH: Michael J. Bennett, C.I.A., Director of Auditing

FROM: Mark H. Boehmer, C.P.A., Senior Management Analyst II

SUBJECT: Report No. R-0910DOH-001 – *Readiness Review of Osceola CHD’s Increase Services to Health Centers and Capital Improvement Program American Recovery and Reinvestment Act of 2009 Funds*

Introduction

Section 20.055(2), *Florida Statutes*, charges each Office of Inspector General responsibility to provide a central point for coordination of activities that promote accountability, integrity, and efficiency in government.

The purpose of this review engagement was to assess the status of the implementation of internal controls at Department of Health (DOH), which should help mitigate the risk of fraud, waste, or abuse in programs that will or have received American Recovery and Reinvestment Act of 2009 (ARRA) funds.

We reviewed controls as they relate to ARRA funds received by Osceola County Health Department (CHD). We obtained an understanding of selected controls at DOH and at Osceola CHD.

We conducted this review engagement in conformance with Quality Standards for Audits by Offices of Inspector General (*Principles and Standards for Offices of Inspectors General*, Association of Inspectors General, 2004 Revision).

We published a report dated February 26, 2010 of interim review work we performed of controls over the *Increase Services to Health Centers* and *Capital Improvement Program* ARRA grant funds. At that time, funds for the *Capital Improvement Program* grant had not yet been expended. The interim review focused on the establishment of proper controls prior to funds being spent. We decided at that time to perform follow-up work once there was sufficient documentation to review regarding the expenditures of funds received. This report takes into account the controls and the compliance with those controls, and thus concludes our review.

The engagement was conducted by Office of Inspector General audit staff Mark H. Boehmer, Certified Public Accountant, Senior Management Analyst II, under the supervision of Michael J. Bennett, Certified Internal Auditor, Director of Auditing.

Background

ARRA became law in February 2009. The three main goals of ARRA are to:

- Create and save jobs;
- Spur economic activity and invest in long-term economic growth; and,
- Foster unprecedented levels of accountability and transparency in government spending.

In the Summer 2009, the Executive Office of the Governor, Office of the Chief Inspector General's Florida American Recovery and Reinvestment Act Risk Assessment Committee (Committee) requested DOH and other state agencies to have each of their respective programs and offices receiving ARRA funds complete a Risk Assessment Survey (Surveys). At the Committee's direction the scores of those Surveys influenced and were incorporated into our office's *Three Year Audit Plan Beginning with Fiscal Year 2009-2010* (Audit Plan). Additionally, the Committee requested our office perform additional oversight activities based on the scores of the Surveys. Pursuant to that request, we used a review program prepared by the Committee to perform a review of select controls and assess the implementation of those controls.

Osceola CHD was awarded two ARRA-funded grants. These funds were received directly by Osceola CHD from the Department of Health and Human Services Health Resources and Services Administration.

The *Increase Services to Health Centers* grant of \$391,192 is used to increase patient access eight hours each week. The grant is to provide primary care services over the two year period ending March 2011 by serving an additional 2,000 unduplicated clients, of whom approximately 1,200 would be uninsured.

The *Capital Improvement Program* grant of \$950,455 is being used toward building a pre-fabricated modular building on an existing site owned by Osceola County. The project will allow Osceola CHD to expand medical capacity and add new dental services when completed.

What we observed

There is an infrastructure of existing policies and procedures at DOH and Osceola CHD that we feel mitigates the risk of fraud, waste, or abuse of ARRA funds. Nothing came to our attention during the review regarding internal controls at DOH and Osceola CHD that would adversely impact ARRA funds. Also, nothing came to our attention during the review to indicate the existence of fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse.

Closing Remarks

We would like to thank management and staff of Osceola CHD and the Division of Administration for providing their cooperation and assistance to us during the course of this review.

JDB/mhb

cc: Robert "Sterling" Whisenhunt,
Statewide Services Administrator
Belinda Johnson-Cornett, Administrator
Osceola CHD
Meade Grigg, Director,
Office of Health Statistics and Assessment
Gary J. Mahoney, Director,
Division of Administration