
INTEROFFICE MEMORANDUM

DATE: March 1, 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 *Liberty CHD's Increase Services to Health Centers and Capital Improvement Program American Recovery and Reinvestment Act of 2009 Funds*

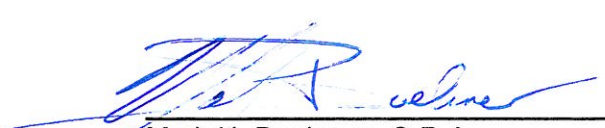
ACTION

REQUIRED: Review

DUE DATE: N/A

Please find attached the report draft of the review, *Liberty 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

March 1, 2011
Date



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

March 1, 2011
Date



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

3-1-11
Date

MHB
attachment



Rick Scott
Governor

INTEROFFICE MEMORANDUM

DATE: March 1, 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-002 – *Readiness Review of Liberty 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 Liberty County Health Department (CHD). We obtained an understanding of selected controls at DOH and at Liberty 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 23, 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.

OFFICE OF INSPECTOR GENERAL

Mailing Address: 4052 Bald Cypress Way, Bin A03 • Tallahassee, Florida 32399-1704
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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.

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

The *Increase Services to Health Centers* grant of \$161,196 is being 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 800 unduplicated clients, of whom approximately 400 would be uninsured.

The *Capital Improvement Program* grant of \$394,620 is being used in addition to another federal (non-ARRA) grant received by Liberty County for constructing a Health Center building in Bristol, Florida.

What we observed

There is an infrastructure of existing policies and procedures at DOH and Liberty 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 Liberty 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 Liberty 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
Eugene Charbonneau, D.O., Director
Liberty CHD
Kelly King, Business Manager
Liberty CHD
Meade Grigg, Director
Office of Health Statistics and Assessment
Gary J. Mahoney, Director
Division of Administration