




## INTEROFFICE MEMORANDUM

**TO:** Fulton County Board of Commissioners

**FROM:** Anthony Nicks, County Auditor 

**DATE:** November 16, 2015

**RE:** Audit Response- Health and Wellness Assessment of the  
HIV Prevention Program- Management Responses

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The Office of the County Auditor completed the Health and Wellness Assessment of the HIV Prevention Program dated October 1, 2015. Attached is the corresponding assessment response received from the Health and Wellness Department and the County Manager in relation to the finding(s) referenced in the assessment.

If you have any questions or need additional information, please contact me at extension 21019. Thank you.

Attachments: Assessment Responses-Health and Wellness Assessment of the HIV Prevention Program dated 10/1/15

Cc: Richard "Dick" Anderson, County Manager  
David Sarnow, Director, Health and Wellness



**OFFICE OF THE FULTON COUNTY MANAGER**  
Fulton County Government Center  
Dick Anderson  
County Manager

**INTEROFFICE MEMORANDUM**

TO: Fulton County Board of Commissioners  
FROM: Dick Anderson, County Manager  
DATE: October 1, 2015  
SUBJECT: Health Department Grants Management

The Fulton County Auditor issued the audit report assessing the grants management of the Fulton County Health Department. The report raised a number of concerns about the operation of the Fulton County Health Department. A management response to more specifically address issues raised within the report will be prepared. In the meantime, this memorandum outlines several changes that have already taken place to improve management and accountability within the Department of Health & Wellness.

**Leadership** – New, focused leadership is in place to implement improvements for the future of the Health & Wellness Department. Dr. David Sarnow has been named Interim Health Director. He joins Fulton County following an extensive and impressive career as a leader in health care with the United States Air Force. Dr. Sarnow came highly recommended by the State Department of Health, and I look forward to strengthening that and other partnerships under his leadership while a national search is conducted to fill the position.

**Grant Management** – We have strengthened the grant administration process for the CDC HIPP Grant by taking steps to consolidate this program with the Fulton County Ryan White program under the leadership of Jeff Cheek. This change not only provides an integrated perspective on all Fulton County HIV/AIDS programs, but also leverages the proven record of our existing Ryan White grant management process. The County's consolidated investment in HIV now includes the Ryan White budget of \$20 million per year as well as \$5 million through the HIPP Grant.

**Cash Management** – Previously, the Health & Human Services Department operated an Administration Division responsible for, among other things, the department's cash management functions. Effective September 2015, the Administrative Services division was disbanded, and cash management functions were consolidated into the Finance Department under Director, Hakeem Oshikoya, with detailed cash controls and a Shared Services architecture. The result will be standardized cash management practices and centralized accountability.


I will provide the Management Response to this audit as soon as it becomes available. In the meantime, please let me know if you need additional information on this or any other matter.

RDA/rs



## INTEROFFICE MEMORANDUM

**TO:** Anthony Nicks, County Auditor

**FROM:** David Sarnow, Director, Dept. of Health and Wellness 

**DATE:** November 9, 2015

**RE:** Response to Audit Findings – HIV Program – 10/1/2015

At the request of the Board of Commissioners, the Office of Internal Audit completed an audit of the HIV prevention program administered by the Fulton County Department of Health and Wellness (FCDHW). The results of that audit are included as Attachment 2. This memorandum is our response to the findings of that audit.

### **Management of HIV Prevention Program**

Audit findings showed deficiencies in planning and oversight, in large part due to unclear goals and deliverables. Also, there is the suggestion that difficulties with implementation described below were not adequately communicated to county leadership.

As of September 30<sup>th</sup>, 2015, new leadership is in place (See Attachment 1) for FCDHW. Also, a Grants Management Council has been established to bring the various department heads that can help implement various logistical functions together to attempt to streamline the implementation process.

New leadership has arranged meetings with the Program Managers of all the grant programs to determine the direction and deliverables of each program and their progress in meeting those goals. Future grant applications will have defined goals in those cases when goals are not pre-determined by the grantor. FCDHW has also engaged the CDC (in this case) for closer monitoring and assistance in executing the grant.

### **County Hiring Process**

The audit results specified that county hiring processes were a significant impediment to timely execution of grant funding. Some of the obstacles identified were of a transient nature (example: Hiring Freeze) but others still present potential problems in rapid hiring of budgeted positions. Audit recommendations that County leadership might find a way to revamp or relax hiring guidelines when federal grant funds on specific timelines are involved would potentially help remove this barrier, though these actions are beyond the scope of the FCDHW unilaterally.

Additionally, the grant staffing in some cases required specialized personnel, that even with some lead time, were not able to be hired due to their scarcity in the catchment area. A proposed solution to this would be to examine the staffing requirements and inform County and grantor leadership of anticipated issues in hiring qualified staff. At the very least, this would allow these leadership areas to be aware of the issue prior to the expiration of annual funding.

## **Procurement Methods**

Audit findings pointed out significant delays in application of grant funds that resulted from the County mandated procurement processes. From initial Requests for Proposals (RFP) which take considerable time to the formal approval process with the Board of Commissioners for each contract or spending item that itself added 4-6 weeks to any spending, many items were simply not able to be executed in a timely fashion. This is not unique to the HIPP (HIV Prevention) grant and has occurred and will continue to occur with other federal grant programs that have an annual funding timeline. We also believe that spending freezes that occur twice per fiscal year for budget consolidation (approximately 2 months in late spring and almost 3 months at the end of the year) also place a considerable impediment to timely spending of grant funds even once an authorization to proceed is granted.

The County Manager's office, in association with the FCDHW, is currently working on a proposal similar to that suggested in the audit that federally funded grant programs might be allowed special spending authority similar to that enjoyed by the Ryan-White federally funded grant program. This proposal has been vetted through some county leadership and is due to be presented to the full Board of Commissioners soon. We believe this will make a significant impact in the ability of FCDHW to spend funds expeditiously.

## **Budgeting**

This finding has been already addressed in that the Finance Department has already established a practice to allow budgeting for the entire grant period. FCDHW recommends that this same practice be continued for other federal grant programs.

## **Grants Management**

As described above, and also outlined in Attachment 1, the County Manager's office has already formed a Grants Oversight Committee to centralize the task of grants management that also allows leadership to be aware of impediments to execution in a timely fashion.

## **Current Status**

The FCDHW leadership believes that with the changes put in place, those underway, and the support of the Board of Commissioners on the changes proposed in the audit (and reviewed above) that future grant funding will be spent in a more efficient manner and large proportions will not need to be returned to the grantor. However, due to the timing of these changes and the current budget season (and consequent spending freeze) – it is not certain that the entirety of the 2015 grant funds will be fully expended. Additionally, in the absence of the procurement and hiring changes outlined in the audit and this document, there is the potential that an underspend could occur in future fiscal years as the same impediments to spending can occur.

If you have any further questions or desire further details, please do not hesitate to contact me at 404-613-1201 or at [david.sarnow@fultoncountyga.gov](mailto:david.sarnow@fultoncountyga.gov).

Attachments:

1. County Manager's Response Letter
2. Audit Findings Document

CC: Richard Anderson, County Manager  
Todd Long, Chief Operations Officer, County Manager's Office  
Anna Roach, Chief Strategy Officer, County Manager's Office



## INTEROFFICE MEMORANDUM

**TO:** Dr. David Sarnow, Director, Department of Health and Wellness

**FROM:** Anthony Nicks, County Auditor *Anthony Nicks*

**DATE:** October 1, 2015

**RE:** HIV Prevention Program Assessment dated 10/1/15

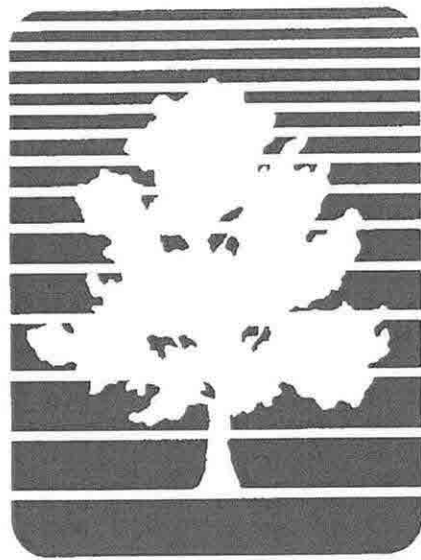
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The Office of the County Auditor has completed the HIV Prevention Program Assessment. Attached is a copy of our final report dated October 1, 2015.

In accordance with the county policy for audit responses, audited departments are required to submit a written response pertaining to the findings referenced in the report within 30 days. In the interim, if you have any questions or need additional information, please contact me at extension 21019. Thank you.

Attachment: HIV Prevention Program Assessment dated 10/1/15

Cc: Richard "Dick" Anderson, County Manager  
Sharon Whitmore, Chief Financial Officer, County Manager's Office  
Anna Roach, Chief Strategy Officer, County Manager's Office



**FULTON COUNTY**

**FULTON COUNTY, GEORGIA  
OFFICE OF INTERNAL AUDIT**

**DEPARTMENT OF HEALTH AND WELLNESS  
ASSESSMENT OF THE HIV PREVENTION PROGRAM**

**October 1, 2015**

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## EXECUTIVE SUMMARY

The Office of Internal Audit conducted an assessment of the HIV Prevention Program administered by the Fulton County Department of Health and Wellness (FCDHW) based on a Cooperative Agreement awarded by the Center for Disease Prevention and Control (CDC). The objective of our evaluation was to address concerns related to the management of the grant funds. The scope of our evaluation included a review of all aspects related to the Cooperative Agreement from January 1, 2012 through August 31, 2015.

Based on the Cooperative Agreement, CDC awards funding amounts directly to the FCDHW on an annual basis. This funding approach was newly adopted for the Atlanta area and Fulton County due to the CDC expanding the list of cities to receive direct funding from six to ten. The direct funding approach allows the CDC to direct targeted funds to the most highly affected jurisdictions and enables the CDC the ability to quickly respond to the needs of the awarded jurisdictions.

From 2012 through 2014, the FCDHW was awarded a total of \$21.5 million and the unexpended balances at the end of each budget year totaled \$8.8 million. To date, the CDC approved a carryover of the unobligated funds totaling \$3.4 million, which was awarded in addition to the award amounts for 2014 and 2015. The carryover amounts reduced the \$8.8 million to an unobligated balance of \$5.4 million. In addition, the award for 2015 was offset by \$3.6 million of the remaining \$5.4 million that were related to the 2012 and 2013 unobligated balances. As a result, the current unobligated balance totals \$1.78 million from 2014. (*See Appropriation and Expenditures 2012-2014, Exhibit A*). The offset reduced the amount of new funds that may have been awarded in 2015. The 2015 award amount totaled \$10 million, which increased the total amount awarded to \$31.7 million. However, it is safe to assume that without the offset of \$3.6 million, the 2015 award amount may have included additional new funding.

### Exhibit A

<b>Appropriations and Expenditures 2012-2014</b>	
<b>Award</b>	\$ 21,531,535.00
<b>Expenditures</b>	<u>(12,686,197.85)</u>
<b>Unexpended Balance</b>	<u>8,845,337.15</u>
<b>Carryover Funds</b>	(3,440,267.00)
<b>Offset of Unobligated Balance</b>	<u>(3,623,565.00)</u>
<b>Unobligated Balance as of 8/31/2015</b>	\$ 1,781,505.15

Although the intention of the direct funding model was to provide funds to highly affected areas, our evaluation revealed factors related to FCDHW's inability to expend the funds timely, which ultimately affected the progress of programmatic activities. The factors related to

deficiencies in FCDHW's management and obstacles in County operations are summarized below. (See *Summary of Observations and Recommendations, Exhibit B*).

**Exhibit B**

<b>Summary of Observations and Recommendations</b>	
<b>FCDHW's Management of HIV Prevention Program</b>	
<b>Challenges</b>	<b>Recommendations</b>
The insufficient oversight, communication and planning by FCDHW's management hindered the successful progression of the program.	Management should adequately plan and provide necessary oversight in order to effectively facilitate the implementation of a new program. In addition, management should assess the County's operations, consult with the appropriate individuals in the County including Department Heads, the County Manager and County officials and follow-up with the respective departments to ensure challenges are resolved.
<b>County Operations</b>	
<b>Challenges</b>	<b>Recommendations</b>
County operations related to hiring were not conducive to the needs of the program.	The process of hiring for positions funded by federal grants needs to be streamlined to support the objectives of federally funded programs.
The methods the FCDHW selected for procurement were not effective and delayed the process for obtaining goods and services.	The County should consider a resolution that will allow the expeditious dispersal of the HIV Prevention funds similar to the resolution approved for the Ryan White Comprehensive AIDS Resources Emergency (CARE) Act. This may alleviate layers of approval for certain expenditures and not delay the procurement of required resources needed to meet the needs of the program.
The manner in which the budget was established hindered management's ability to properly expend the funds and perform program activities.	We recommend that the budgets related to all grant funds be established for the entire anticipated award amounts. Recently, this practice was implemented for funding related to the HIV Prevention Program.
The County lacks a complete centralization for grants management oversight to ensure overall management of financial activities and compliance with requirements as well as programmatic reviews.	The County is currently working on centralizing the tasks related to grants management and has implemented a process that includes regular reporting on the HIV Prevention Program. This allows for transparency as well as an open line of communication to County management.

Recently, there were several changes made within the program to mitigate any future challenges with hiring, procurement, budgeting and grants management. Management indicated the Purchasing, Personnel and Finance Departments have agreed to review their operations and modify processes related to all federal grants that will comply with required regulations while allowing the processes to be more efficient. Additionally, the FCDHW conducts meetings with the departments on a regular basis to ensure a collective effort is taken to support the advancement of the program.

Additionally, management has indicated that the program is on track to expend all of the funds awarded for this year. As of August 31, 2015, the program has obligated a total of \$5.8 million of the \$10 million awarded. Any amount that is not expended by December 31, 2015 is subject to loss.

This report provides a comprehensive assessment of the program as well as recommendations that may help the future success of the program.

## INTRODUCTION

At the request of the Board of Commissioners, the Office of Internal Audit conducted an evaluation of the HIV Prevention Program administered by the FCDHW that was awarded by the CDC through a Cooperative Agreement.

## BACKGROUND

Based on the 2010 National HIV/AIDS Strategy (NHAS), the CDC was required to revise its funding for the "Comprehensive Prevention Program for Health Departments" to ensure federal HIV prevention funding allocation to the jurisdictions with the greatest need. As a result, the CDC revised its methods it uses to allocate HIV Prevention funds for the five-year funding cycle of 2012-2016. Along with revising its methods, the CDC expanded the number of cities to receive direct funding from six to ten, which included the Atlanta area. This allows the CDC to directly target funds based on the most highly affected jurisdictions and enables the CDC the ability to quickly respond to the needs of the awarded jurisdictions. In addition, the CDC directs funding based on prevention activities that are most likely to have a significant and lasting impact on the HIV epidemic.

Funding for the HIV prevention activities were allocated based on three (3) categories, which include the following:

- Category A: Core Prevention Programs
- Category B: Expanded HIV Testing for Disproportionately Affected Populations
- Category C: Demonstration Project/Project Enhanced Detection to Decrease HIV Infections (EDDI)

To ensure the HIV prevention resources were effectively appropriated, the award amounts for Category A were allocated based on a formula that considered the unadjusted number of adults and adolescents living with a diagnosis of HIV through 2008 in each jurisdiction. The award amounts for Category B were determined by using the unadjusted number of Black/African American and Hispanic/Latino adults and adolescents living with a diagnosis of HIV infection as of year-end 2008. In addition, the CDC determined a range of funding including a ceiling and floor amount that each jurisdiction may receive. The awards related to Category C are competitive and therefore, based on merit and not a formula.

The funding for Categories A and B extends over a five-year period from 2012 through 2016 and Category C extends over a four-year period beginning in 2012. The anticipated amounts for Category A awards will change annually over the course of the five years of the project period. This gradual approach was intended to allow for a scale up or scale down of activities in each jurisdiction; however, a jurisdiction will not lose more than 25% of its previous year funding. The funding levels for Category B awards are not expected to change substantially from year to year. Furthermore, the CDC's commitment to continuation of awards for each year is

contingent on the availability of funds, evidence of satisfactory progress by the recipient and the determination that continued funding is in the best interest of the federal government.

Based on the new funding criteria, the FCDHW was eligible to receive direct funding from the CDC for the "Comprehensive Prevention Program for Health Departments" as it is the local health department in the Atlanta area, which services Fulton County. The funds were awarded through a Cooperative Agreement directly to the County for the FCDHW to implement the HIV Prevention Program. Additionally, the FCDHW subcontracted with the DeKalb County Board of Health (DCBOH) to perform HIV prevention activities to reduce the number of new HIV infections in DeKalb County.

The Director of the FCDHW is the designated Principal Investigator (PI) for the HIV Prevention Program. According to the U.S. Department of Health and Human Services Grants Policy Statement, the PI is responsible for the scientific, technical, or programmatic aspects and the day-to-day management of the program. In addition, the Cooperative Agreement allows the CDC to have substantial involvement throughout the course of the program. Therefore, the PI and program staff works closely with the CDC staff related to all aspects of the program. The CDC also actively monitors the programmatic and financial elements of the program to identify potential problems and provide technical assistance.

## OBJECTIVE

The objective of our evaluation was to address concerns related to the management of the grant funds and the performance of the program. Additionally, we determined the total amount of grant funds awarded by the CDC and factors that led to the considerable amount of unexpended funds at the end of each year.

## SCOPE

The audit period for this evaluation is January 1, 2012 through August 31, 2015.

## METHODOLOGY

We conducted this evaluation in accordance with Generally Accepted Government Auditing Standards. To accomplish our objectives, we:

- Obtained an understanding of the CDC's expectations for the program activities and determined award amounts;
- Determined FCDHW's methods for achieving goals and objectives of the program;
- Assessed FCDHW's management of the HIV Prevention Program and evaluated their responsibilities with implementation and execution of the program; and
- Evaluated the operations and practices of the County's departments that provided support in the implementation of the program.

Our report presents observations we revealed based on our assessment, including the FCDHW's management of the HIV Prevention Program, County operations and current status of the program.

In addition, the summary provided below relates to a program evaluation that was conducted by the CDC, which indicates challenges that were reported by sixty-one (61) state and local health departments implementing the "Comprehensive Prevention Program for Health Departments".

### CDC Program Evaluation of Other Health Departments

The CDC conducted a systematic qualitative analysis of the successes and challenges health departments experienced while implementing program activities as reported in the 2013 Annual Progress Reports (APRs). The analysis focused on the components related to Category A:

- Linkage to HIV medical care;
- Risk reduction interventions;
- Partner services; and
- Retention in and re-engagement with HIV medical care.

Of the sixty-one (61) health departments, a total of forty-five (45) health departments commonly reported the following as challenges:

- Lack of resources;
- Difficulty collaborating with program staff and navigating partnerships; and
- Issues stemming from recruitment of program participants.

Health departments used multiple strategies to address the challenge areas. Many of these strategies were specific to each health department and depended on programmatic needs, capability and policies.

#### Lack of Resources

The CDC noted approximately half of the health departments described challenges related to resources, which included:

- Staff shortages;
- Insufficient staff for Disease Intervention Specialist (DIS) caseload;
- Lack of funding to link, follow up, re-engage HIV positive persons into care and to provide risk reduction interventions;
- Reductions in HIV prevention funding due to sequestration;
- Hiring freezes; and
- Confusion between health departments (local and state) and their partners on roles and

responsibilities related to re-engagement activities.

Funding decreases prompted reductions in HIV prevention services and resulted in decreased capability to support staff time and necessary training. Health departments addressed resource-related challenges by revising budgets, re-negotiating contracts, managing sequester reductions and recruiting staff using Ryan White funds.

### Collaborations and Partnerships

While collaboration was an area where many health departments experienced successes in implementing program activities, over one third reported challenges with existing collaborations especially with collaborations related to linkage to HIV medical care. These challenges were attributed to confusion regarding roles and responsibilities, difficulties coordinating agency activities supported by multiple funding streams and difficulties collaborating with various partners to manage data collected in different data systems.

Health departments addressed collaboration-related challenges using the following strategies:

- Provided guidance to funded partners on strategies for linkage and retention in care;
- Provided clarification of roles and responsibilities to partners;
- Coordinated data and information sharing between collaborating partners; and
- Identified the right partnering organization and leadership.

### Recruitment

Recruitment challenges were specific to conducting risk screening and risk reduction interventions. Recruitment was an issue for interventions offered by agencies with lapsed contracts and for interventions requiring multiple sessions. Recruitment and enrollment was noted as difficult in rural areas due to the lack of formal targeted outreach venues. Finally, four health departments reported that HIV and gay-related stigma, along with provider mistrust, affected recruitment and intervention attendance.

Health departments addressed some of these challenges through the following strategies:

- Replaced multi-session programs in rural areas with a weekend format located in a nearby larger city; and
- Used social networking strategies to reach and provide services to prioritized populations (in both urban and rural areas).

The CDC's assessment of the challenges across various health centers seemed to be consistent with FCDHW's challenges. Our observations and recommendations of the challenges encountered by the FCDHW are detailed in the next section:

## OBSERVATIONS AND RECOMMENDATIONS

### Observation 1- FCDHW's Management of HIV Prevention Program

The management of the FCDHW assumes the responsibility for all facets of the operation of the department, programs and services designed to improve the health status of the residents of Fulton County. This responsibility also includes advising the Board of Commissioners on the status of the health issues relevant to the citizens in Fulton County.

Based on our assessment, we noted deficiencies of FCDHW's management that occurred during the course of the HIV Prevention Program. Management encountered challenges with County operations during implementation of the program that could have been mitigated with proper oversight. Although challenges were communicated with the respective departments, management did not monitor or follow-up with the appropriate individuals within the departments to ensure that the challenges were resolved. Insufficient oversight, communication and planning by FCDHW's management ultimately hindered the timely progression of the program.

### Recommendation

Management should adequately plan and provide the necessary oversight to effectively facilitate the implementation of a new program. In addition, management should consider incorporating the evaluation of the program into the planning phase. Best practices state that assessing the evaluation as part of the planning phase will enhance the team's thoughts about the program's mission, goals, objectives and the activities designed to meet those objectives.

### Observation 2- County Operations

The operations, processes and procedures for administering federally funded programs must adhere to and be consistent with established County policies as well as federal regulations. During our review of the County operations and practices, we noted challenges that the FCDHW management encountered. These challenges attributed to the inability to promptly expend the funds and advance the progress of the program. Detailed below are the obstacles during the program related to hiring, procurement of goods and services, budgeting and grants management.

#### Hiring Process

The County's process for hiring for grant funded positions is tedious and ultimately delayed FCDHW's ability to fill vacant positions in a timely manner. Hiring was not completed until halfway through 2012 due to the County's process to establish positions for the new program, and a funding restriction directed by the CDC related to salaries. The process to establish grant positions deferred hiring as the Personnel Department was required to re-title the grant positions presented by the FCDHW. Re-titling the positions was necessary in an effort to align



the positions based on the County's current position bands and supervisory oversight. The process was further delayed as the retitled positions also required approval from the CDC. Additionally, CDC restricted funding for salaries to 50% based on the positions that were earmarked "to be hired" in the budget. As a result of the restriction, anyone hired in the positions in 2012 would only be eligible to work for six (6) months. CDC did not lift the restriction until August of 2012. In 2014, the CDC also denied FCDHW's revised 2012 carryover request due to a recent change in administration staff. The FCDHW was directed to resubmit the request once the position was filled. The vacancy was not filled until November, 2014 which was not enough time for the FCDHW to resubmit the request and expend the funds by the end of 2014.

Throughout the program, several positions were vacant due to the program's inability to find a qualified individual or due to employee separation. However, the opportunity to fill the positions was postponed as a result of a hiring freeze that affected positions County-wide. The former County Manager initiated the hiring freeze as a tactic to reduce the County's costs. This tactic was improperly applied to grant-funded positions as positions that were funded using non-County funds should not have been impacted. Several attempts were made by the FCDHW to request to hire for vacant grant-funded positions but were rejected by the Personnel Department. Management expressed concerns about the inability to hire for the grant-funded positions with the former County Manager, to no avail. The issue was never escalated to the Board of Commissioners to make them aware of the negative impacts the hiring freeze had on grant-funded positions.

#### Recommendation

The County should assess the policy related to hiring and address areas that are considered problematic to hiring for federally funded positions. The County should consider strategies to revamp the policy and relax the guidelines in order to achieve the objectives of federally funded programs. Additionally, in the event that a hiring freeze is imposed by the County Manager, a caveat should be presented that excludes grant-funded positions.

#### Procurement Methods

The management of the FCDHW is responsible for deciding on the most effective method of procurement and developing the terms of the procurement requests. Issues that were noted related to the process of procurement selected by the FCDHW that delayed activities of the HIV Prevention Program are summarized below:

- The FCDHW selected the Request for Proposal (RFP) procurement method as the most effective method to obtain services with Community Based Organizations (CBOs). This method presented challenges to the FCDHW during the preparations of the RFPs scope of services, the development of the cost evaluations and the evaluation of the cost proposals. As a result, the FCDHW was unable to issue RFPs for CBOs in 2012.

- In 2012, the process to complete the Intergovernmental Agreement (IGA) with DeKalb County Board of Health (DCBOH) delayed the issuance of funds to DCBOH. As a result, the DCBOH was unable to spend the majority of the funds and were required to issue a refund for the unexpended funds.
- In 2014, the program experienced contract delays with executing an IGA with a new laboratory, Florida Department of Health, Bureau of Public Health Laboratories to process specimens. The challenge stemmed from the time needed for both Fulton County and Florida State governments to approve mutually agreeable language in the contractual agreement. Once a mutual understanding was reached by the two parties, the agenda item was approved by the Board of Commissioners in November, 2014. After being approved, the contract was routed through the contracts department for execution, where it faced additional delays and the actual contract agreement wasn't signed until 2015.

Additionally, the CDC project officer that conducted the 2014 technical review commented on the time consuming process and layers of approval that has impeded FCDHW's ability to expend funds. She stated, "The programming and contractual services needed to implement HIV prevention is not consummate with the level of funding received, or the escalating HIV/AIDS epidemic in the jurisdiction. The significant carryover of unobligated funds identified each year is an indication perhaps that the current fiscal management infrastructure, systems, policies and procedures are not keeping pace with the Federal funding mechanism. Therefore, it is strongly recommended that the grantee with technical assistance from an outside source of expertise, consider initiating a strategic plan to improve the way in which the FCDHW accomplishes its mission to promote public health."

#### Recommendation

The County should consider a resolution that will allow the expeditious dispersal of the HIV Prevention funds similar to the resolution approved for the Ryan White CARE Act. This may alleviate the layers of approval required for certain expenditures related to the HIV Prevention Program and not delay the procurement of required resources needed to meet the needs of the program.

#### Budgeting

The manner in which the budget was established hindered the ability to properly expend the funds and perform program activities. The budgeting practices followed by the Finance Department were not consistent with the method the CDC used to award the funds. During each budget period, the CDC issues Notice of Awards (NOA) indicating the amount of funds authorized and any future year commitments. However, the CDC operates under a continuing resolution; therefore, funds are contingent on the approval of the Congressional Appropriations Bill. As a result, the amounts are awarded to the FCDHW in portions throughout each budget

year. Several different times throughout the year, the CDC issues revised NOAs that indicate any changes to the amount of support or the terms and conditions of the award. Consequently, the FCDHW may be unable to determine the actual amount and plan accordingly until the NOA is received.

Per the Finance Department's budgeting practice, the program's budget was established in the County's financial system based on the timing and the amount indicated in the NOA. The amounts awarded by the CDC during the year are subject to availability of funds; therefore, the Finance Department did not establish the budget for the anticipated award amounts. This resulted in insufficient funds to cover costs of program activities which decreased FCDHW's ability to expend funds.

#### Recommendation

We recommend that the budgets related to all grant funds be established for the entire anticipated award amounts. Recently, this practice was implemented for funding related to the HIV Prevention Program.

#### Grants Management

At the inception of the program, the County lacked a centralized method for grants management that provided the proper oversight for the overall management of financial activities and compliance with requirements as well as programmatic reviews. The management activity of the grant was performed by several departments/divisions including the FCDHW, the Health and Human Services (HHS) Administrative Services Division and the Finance Department. The FCDHW managed the programmatic aspect related to administering and monitoring program activities. The HHS Administrative Services Division was responsible for tracking and disbursing grant funds in the County's financial system while the Grants Administrator in the Finance Department conducted financial activities including annual financial reporting and monthly drawdowns for reimbursement. The different silos of responsibility were a challenge for management to effectively provide oversight of the grant.

#### Recommendation

The County is currently working on centralizing the tasks related to grants management and has implemented a process that includes regular reporting on the HIV Prevention Program. This allows for transparency as well as an open line of communication to County management.

### **Current Status of the Program**

As of the end of 2014, management of the FCDHW indicated that the program is better prepared to adhere to the County's procedures and timelines as it relates to the contractual process. To mitigate future challenges with procurement, budgeting and hiring issues, management indicated the Purchasing, Personnel and Finance Departments have agreed to

review and change any processes not contradicted by the law to allow for more efficient operations tied to all county grants and cooperative agreements. Additionally, the FCDHW conducts meetings with departments providing support on a regular basis to ensure a collective effort is taken in the progress of the program.

Currently, there is a total of \$1.78 million that remains unobligated from 2012-2014. This amount is subject to loss pending future award amount from the CDC. During 2015, a total of \$10 million was awarded. As of August 31, 2015, the HIV Prevention Program obligated a total of \$5.8 million of the \$10 million awarded for the 2015 budget year. A total of \$3.2 million of the \$5.8 million has been expended and management indicates the program is on track to expend the remaining \$4.3 by the end of 2015. (See *Appropriations and Expenditures January 1, 2015-August 31, 2015, Exhibit C*).

### Exhibit C

Appropriations and Expenditures January 1, 2015-August 31, 2015	
Award	\$ 10,131,133.00
Actual Expenditures	(3,279,749.49)
Outstanding Commitments	(2,537,672.05)
Total Expenditures	(5,817,421.54)
Unobligated Balance as of 8/31/2015	\$ 4,313,712.46

Upon the conclusion of 2015, there will be one year remaining in the Cooperative Agreement. Once this agreement has expired, there is a process to close out the grant. This process requires submission of a final financial status report within ninety (90) days detailing the unobligated balance of the entire program period and a reconciliation of drawdowns to obligated funds. Following the closeout, the cumulative unobligated balance will no longer be available.

### CONCLUSION

Our evaluation of the HIV Prevention Program highlighted some areas that were unique to the FCDHW and may have contributed to the delay in implementation and execution of the program. We noted concerns in FCDHW's management of the program and challenges with County operations related to hiring, procurement, budgeting and grants management.

We recommend the FCDHW continue its quest for assistance from the CDC related to the program. The CDC helps jurisdictions adjust and plan for funding shifts as well as provide technical assistance throughout the duration of the funding cycle. In addition, the CDC will provide consultation and technical assistance to the FCDHW on aspects of the program as well as protocols, procedures and instruments related to the plan. The CDC will also work with the FCDHW to address training and capacity building issues that are crucial to the successful execution of the plan as well as monitor the progress of program and evaluation activities.

*CDC's Comprehensive Monitoring Visit*

Furthermore, the CDC recently conducted a comprehensive monitoring visit related to HIV Prevention Program. The monitoring visit focused on areas that includes, but is not limited to:

- Management and Leadership
- Organization Infrastructure
- Human Resources and Personnel
- Staffing Engagement
- Internal Controls
- Contract Management
- Data Entry and Reporting

The CDC report should provide an extensive and complete programmatic review of FCDHW's progression with the program as well as the CDC's recommendations for strengthening the program. We will provide a copy of the CDC's report upon release.

Please provide a written response to this audit within thirty (30) days. You may email your written response to the County Manager and Brigitte Bailey, Audit Coordinator in the Office of Internal Audit at [Brigitte.Bailey@fultoncountyga.gov](mailto:Brigitte.Bailey@fultoncountyga.gov). We would like to thank management and staff for their timely cooperation and assistance during this audit. The distribution of this report is reserved for the executive management of Fulton County and the Board of Commissioners.