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September 28, 2011

TO: Mary Wakefield, Ph.D., R.N.
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FROM: /Stephen Virbitsky/
Regional Inspector General for Audit Services

SUBJECT: Health Resources and Services Administration's Bureau of Primary Health Care Facility Investment Program Grants — Internal Control Review of the Process for Monitoring American Recovery and Reinvestment Act Funds (A-03-10-00360)

The attached final report provides the results of our internal control review of Health Resources and Services Administration's (HRSA's) Bureau of Primary Health Care's (BPHC's) process for monitoring American Recovery and Reinvestment Act of 2009, P.L. No. 111-5 (Recovery Act), funded Facility Investment Program (FIP) grants. This review was part of the Office of Inspector General's assessment of whether the Department of Health and Human Services is using Recovery Act funds in accordance with legal and administrative requirements and is meeting the accountability objectives defined by the Office of Management and Budget.

The Recovery Act was signed into law by President Obama on February 17, 2009. The Recovery Act includes measures to modernize our nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need.

At the President's direction, Federal agencies are taking critical steps to carry out the Recovery Act effectively. All Federal agencies and departments receiving Recovery Act funds must maintain strong internal controls, oversight mechanisms, and other approaches to meet the accountability objectives of the Recovery Act.

Our objective was to assess the internal controls HRSA has in place over the FIP grant-monitoring process used by BPHC to monitor Recovery Act funds to determine whether the controls have been suitably designed.

The internal controls for monitoring Recovery Act funds to grantees, as described by management, are suitably designed to provide reasonable assurance that the specified control objectives would be achieved if the described internal controls were complied with satisfactorily and applied as designed. However, we did not perform procedures to determine the operating effectiveness of these internal controls. Accordingly, we express no opinion on the operating effectiveness of any aspect of HRSA's internal controls for monitoring Recovery Act funds, individually or in the aggregate.

Section 8L of the Inspector General Act, 5 U.S.C. App., requires that the Office of Inspector General (OIG) post its publicly available reports on the OIG Web site. Accordingly, this report will be posted at <http://oig.hhs.gov>.

If you have any questions or comments about this report, please do not hesitate to call me, or contact Michael Walsh, Audit Manager, at (215) 861-4480 or through email at Michael.Walsh@oig.hhs.gov. Please refer to report number A-03-10-00360 in all correspondence.

Attachment

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**HEALTH RESOURCES AND
SERVICES ADMINISTRATION'S
BUREAU OF PRIMARY HEALTH CARE
FACILITY INVESTMENT PROGRAM
GRANTS –
INTERNAL CONTROL REVIEW OF THE
PROCESS FOR MONITORING
AMERICAN RECOVERY AND
REINVESTMENT ACT FUNDS**



Daniel R. Levinson
Inspector General

September 2011
A-03-10-00360

Office of Inspector General

<http://oig.hhs.gov>

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OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

EXECUTIVE SUMMARY

BACKGROUND

The American Recovery and Reinvestment Act of 2009, P.L. No. 111-5 (Recovery Act), was signed into law by President Obama on February 17, 2009. The Recovery Act includes measures to modernize our nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need.

An Office of Management and Budget (OMB) memorandum (April 3, 2009) updated initial implementing Recovery Act guidance (February 18, 2009) and requires that all Federal agencies and departments receiving Recovery Act funds must maintain strong internal controls and implement appropriate oversight mechanisms and other approaches to meet the accountability objectives of the Recovery Act.

Health Resources and Services Administration

The Health Resources and Services Administration (HRSA) increases access to basic health care for those who are medically underserved. HRSA implements its programs through its 6 bureaus and 13 offices. The Office of Federal Assistance Management (OFAM) assists and oversees the bureaus. The bureaus, in conjunction with OFAM, establish goals and policies for the grant programs and activities needed to administer the programs. The Bureau of Primary Health Care (BPHC) assesses the health care needs of underserved populations. BPHC awards grants to health centers to support primary health care services for the underserved and move toward eliminating health disparities.

Recovery Act Funding for the Facility Investment Program

The Recovery Act provides \$2.5 billion to HRSA to help stimulate the economy through the support of health care access for the underserved. Of the \$2.5 billion, \$2.0 billion was appropriated to support, modernize, and renovate health centers. The remaining \$500 million was appropriated to address the workforce shortage of health professionals.

Of the \$2.0 billion that the Recovery Act appropriated to support, modernize, and renovate health centers, HRSA apportioned \$525 million to BPHC for Facility Investment Program (FIP) grants. As of April 2010, HRSA had selected 85 FIP grantees to receive awards totaling \$508 million for major construction, repairs, and modernization of facilities. These competitive awards ranged from \$792 thousand to \$12 million. In June 2010, we issued a report on our review of internal controls over HRSA's process for awarding facility investment program grants funded under the Recovery Act (A-03-09-00364).

OBJECTIVE

Our objective was to assess the internal controls HRSA has in place over the FIP grant-monitoring process used by BPHC to monitor Recovery Act funds to determine whether the controls have been suitably designed.

SUMMARY OF RESULTS

The internal controls over the grant-monitoring process used to monitor BPHC's Recovery Act funds as described by HRSA management are suitably designed to provide reasonable assurance that the specified internal control objectives would be achieved if the described internal controls were complied with satisfactorily and applied as designed.

This report provides a sufficient understanding of HRSA's competitive grant process for awarding Recovery Act funds to FIP grantees as it pertains to control objectives in the following internal control areas: authorization and approval; accuracy, completeness and validity; physical safeguards and security; error handling; and segregation of duties.

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INTRODUCTION

BACKGROUND

Recovery Act Requirements

The American Recovery and Reinvestment Act of 2009, P.L. No. 111-5 (Recovery Act), enacted February 17, 2009, includes measures to modernize our nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need.

The Recovery Act requires that agencies maintain a high level of Transparency and Accountability in the use of Recovery Act funds. An Office of Management and Budget (OMB) memorandum (April 3, 2009) updated initial implementing Recovery Act guidance (February 18, 2009) and requires that all Federal agencies and departments receiving Recovery Act funds must maintain strong internal controls and implement appropriate oversight mechanisms and other approaches to meet the accountability objectives of the Recovery Act.

The five crucial accountability objectives are:

- Recovery Act funds are awarded and distributed in a prompt, fair, and reasonable manner.
- Recovery Act funds are transparent to the public, and the public benefits of these funds are reported clearly, accurately, and in a timely manner.
- Recovery Act funds are used for authorized purposes and every step is taken to prevent instances of fraud, error, and abuse.
- Projects funded under the Recovery Act avoid unnecessary delays and cost overruns.
- Projects funded under the Recovery Act ensure program goals are achieved, including specific program outcomes and improved results on broader economic indicators.

Health Resources and Services Administration

The Health Resources and Services Administration (HRSA) increases access to basic health care for those who are medically underserved. HRSA establishes policies over its grant monitoring process and provides standard terms and conditions for each type of grant program. HRSA implements its programs through its 6 bureaus and 13 offices, which provide leadership and financial support to health care providers through a wide range of programs and initiatives designed to safeguard the health and well-being of the Nation's most vulnerable populations.

Congress legislatively authorizes HRSA programs. The legislation defines the purpose and provides appropriations for these programs. HRSA's Office of Federal Assistance Management (OFAM) assists and oversees the bureaus. The bureaus, together with OFAM, establish goals and policies for the grant programs and activities needed to administer the programs.

Bureau of Primary Health Care

The Bureau of Primary Health Care (BPHC) monitors both discretionary and formula grants. BPHC assesses the health care needs of underserved populations and monitors grants to health centers that support primary health care services and move toward eliminating health disparities for the underserved.

Division of Payment Management

The Division of Payment Management provides centralized electronic grant and grant-type payment, cash management, and grant accounting support services to the Department of Health and Human Services (HHS) and other Federal departments and agencies.¹ As a fiscal intermediary between Federal awarding agencies and award recipients, the Division of Payment Management operates and maintains the Payment Management System, an electronic grant payment system that provides disbursement, grant monitoring, reporting, and cash management services to both awarding agencies and grant recipients.

Recovery Act Funding for the Facility Investment Program

The Recovery Act provided \$2.5 billion to HRSA to help stimulate the economy through the support of health care access for the underserved. Of the \$2.5 billion, \$2.0 billion was appropriated to support, modernize, and renovate health centers. The remaining \$500 million was appropriated to address workforce shortages of health professionals.

Of the \$2.0 billion that the Recovery Act appropriated to support, modernize, and renovate health centers, HRSA apportioned \$525 million to BPHC for Facility Investment Program (FIP) grants. As of April 2010, HRSA had selected 85 FIP grantees to receive awards totaling \$508 million for major construction, repairs, and modernization of facilities. These competitive awards ranged from \$792 thousand to \$12 million.

Health Resources and Services Administration Grant-Monitoring Process

OFAM provides guidance relating to the laws, regulations, and policies for administration of HRSA grants. It also conducts operational planning, review, awarding, and management of HRSA's portfolio of grants. Within OFAM, there are four divisions: Division of Financial Integrity, Division of Grants Policy, Division of Grants Management Operations, and Division of Independent Review. Each division has standard operating procedures.

¹ The Division of Payment Management is a division of HHS's Program Support Center.

For the most part, HRSA monitors FIP grants online through HRSA's Electronic Handbooks, a project management system. BPHC and the Division of Grants Management Operations use the Electronic Handbooks to monitor progressive stages of funded construction projects from the Notice of Grant Award to completion. The Electronic Handbooks also enables electronic signature.

The Division of Payment Management establishes an account for each grant that allows the grantee to draw funds. The Division of Payment Management also monitors the activity of grant funds through the Payment Management System and alerts HRSA to irregularities, such as idle funds and excessive withdrawals from the grant's account.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

Our objective was to assess the internal controls HRSA has in place over the FIP grant-monitoring process used by BPHC to monitor Recovery Act funds to determine whether the controls have been suitably designed.

Scope

We assessed HRSA's internal controls over the grant-monitoring process used by BPHC to monitor Recovery Act funds to health centers through FIP competitive grants.² We limited our assessment to determining whether existing internal controls adequately achieved the internal control objectives for: (1) authorization and approval; (2) accuracy, completeness and validity; (3) physical safeguards and security; (4) error handling; and (5) segregation of duties.

We did not perform procedures to determine the operating effectiveness of these controls. Accordingly, we express no opinion on the operating effectiveness of any aspects of HRSA's internal controls over the grant-monitoring process that BPHC used to monitor Recovery Act funds, individually or in the aggregate.

We performed fieldwork at HRSA headquarters offices in Rockville, Maryland.

Methodology

The internal control environment represents the collective effect of a number of elements in establishing, enhancing, or mitigating the effectiveness of specific policies and procedures. To gain an understanding of BPHC's control environment, we:

- reviewed relevant Federal laws and regulations, including Recovery Act guidance issued by OMB, that BPHC must follow for monitoring grants;

² In June 2010, we issued a report on our review of internal controls over HRSA's process for awarding facility investment program grants funded under the Recovery Act (A-03-09-00364).

- reviewed HRSA’s organizational structure, including segregation of functional responsibilities, policy statements, operating manuals, and personnel policies;
- reviewed the HRSA Federal Managers’ Financial Integrity Act report;
- reviewed the HRSA Grants Management Cycle Memorandum for fiscal year ending September 30, 2008;
- reviewed the BPHC spending and implementation plans for FIP grants;
- interviewed HRSA and BPHC management as well as operations, administrative and other personnel responsible for developing, assuring adherence to, and applying internal controls; and
- reviewed the grant monitoring process for grants funded with Recovery Act funds.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

RESULTS OF REVIEW

The internal controls over the grant-monitoring process used to monitor BPHC’s Recovery Act funds as described by HRSA management are suitably designed to provide reasonable assurance that the specified internal control objectives would be achieved if the described internal controls were complied with satisfactorily and applied as designed.

This report provides a sufficient understanding of HRSA’s grant process for monitoring Recovery Act funds to FIP grantees as it pertains to control objectives in the following internal control areas:

- authorization and approval: transactions and other significant events should be authorized and executed only by persons acting within the scope of their authority;
- accuracy, completeness and validity: all transactions should be consistent with the originating data and fairly represent the economic events that actually occurred, and no valid transactions should be omitted;
- physical safeguards and security: physical controls need to be established to secure and safeguard vulnerable assets and to limit access to resources and records to authorized individuals;

- error handling: errors detected at any stage of processing should receive prompt corrective action and be reported to the appropriate level of management; and
- segregation of duties: key duties and responsibilities need to be divided or segregated among different people to reduce the risk of error or fraud.

AUTHORIZATION AND APPROVAL

Internal Control Objective 1: Internal Controls Provide Reasonable Assurance That Grant Requirements Are in Accordance With Laws, Regulations, Recovery Act Guidance, and Agency Policy

- HRSA’s policy is to prepare guidance to grantees about requirements for FIP grants. HRSA’s policy further states that guidance is sent to OFAM for review and comments.
- HRSA’s policy is to include the “HHS Grants Policy Statement” in all Notice of Grant Awards as a term and condition of the award. The “HHS Grants Policy Statement” says that grant awards are for the reimbursement of actual and allowable costs incurred, and are subject to Federal cost principles. The cost principles are set forth in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* (2 CFR part 225) and OMB Circular A-122, *Cost Principles for Non-Profit Organizations* (2 CFR part 230); and are incorporated by reference in 45 CFR 74.25 and 92.30. The cost principles address four tests to determine the allowability of costs: reasonableness, allocability, consistency, and conformance. The “HHS Grants Policy Statement” also includes administrative and other remedies the Federal Government may use if a grantee does not comply with requirements.
- BPHC’s Project Officers establish or participate in the establishment of goals for new programs and are responsible for developing program guidance.
- The Office of General Counsel reviews, provides comments, and signs-off on BPHC guidance for both regular programs and Recovery Act programs.

Internal Control Objective 2: Internal Controls Provide Reasonable Assurance That Information and Methods Used To Monitor the Program Are in Accordance With Laws, Regulations, Recovery Act Guidance, and Agency Policy

- BPHC contacts grantees via email and the Electronic Handbooks to inform them of terms and conditions pending on the Notice of Grant Award and progress reports toward FIP project completion.

- BPHC’s Web site contains a wide variety of resource materials that educate grantees about applicable regulations and policies governing the administration of grants. BPHC staff also provides policy interpretation and consultation to the grantee community.

Internal Control Objective 3: Internal Controls Provide Reasonable Assurance That Grant Monitoring Procedures Are Established and in Accordance With Laws, Regulations, Recovery Act Guidance, and Agency Policy

- OFAM assures that goals and policies established by HRSA for grant programs and activities are in accordance with laws and regulations and Recovery Act Guidance.
- For FIP awards, HRSA’s policy is to monitor the grant completion process with consideration for the environmental impact of the projects, cultural and historic preservation issues, readiness for Electronic Health Record purchase, and architectural and engineering reasonableness.
- Before authorizing the grantee to draw funds from the grant account, BPHC and OFAM ensure that the grantee has addressed all the terms and conditions on the Notice of Grant Award. The Grants Management Officer, an OFAM employee, approves the final Notice of Grant Award, which is sent to the grantee.

Internal Control Objective 4: Internal Controls Provide Reasonable Assurance That Grantee Procedures for Control, Use, and Reporting of Grant-Funded Operations Are in Accordance with Laws, Regulations, Recovery Act Guidance, and Agency Policy

- HRSA requires grantees to meet the standards and requirements for financial management systems set forth or referenced in 45 CFR § 74.21 or 92.20, as applicable, and to meet additional requirements for Recovery Act programs. Requirements for grantees’ financial and administrative systems are included in the “HHS Grants Policy Statement.”
- HRSA may impose corrective actions and/or include special terms and conditions on awards or suspend, terminate, or withhold support. OFAM determines whether the grantee has the financial management abilities and practices to use Federal resources in accordance with Federal rules and regulations on an ongoing basis.

Internal Control Objective 5: Internal Controls Provide Reasonable Assurance That Grant Requirements Are Noted and in Place

- The Authorized Organization Representative is responsible to BPHC for ensuring that the grantee organization complies with the terms and conditions of individual awards and organizationwide requirements, such as those concerning financial management and property management.

- A grantee acknowledges and accepts a FIP award and its associated terms and conditions by drawing funds from the grant account made available by the Notice of Grant Award. Once the award is accepted by the grantee, HRSA monitors the grantee's compliance with the terms and conditions of the Notice of Grant Award.
- OFAM's Division of Grants Management Operations coordinates all aspects of the grant-monitoring process.

ACCURACY, COMPLETENESS AND VALIDITY

Internal Control Objective 1: Internal Controls Provide Reasonable Assurance That Program Objectives Are Achieved in an Economical and Efficient Manner

- HRSA requires that BPHC and OFAM review the terms and conditions in the Notice of Grant Awards to ensure all terms and conditions have been met in a timely manner before allowing grantees to draw funds from the grant account.
- BPHC's Project Officers monitor the project to ensure the grantees have the needed resources available and that grantees are meeting benchmarks established for the program. BPHC's Project Quality Controllers, who are professional architects and engineers, comment and assist on the more technical aspects and feasibility of the projects.
- The Division of Grants Management and BPHC are responsible for ensuring that grantees' comply with the terms and conditions in the Notice of Grant Awards. Revised Notices of Grant Awards are issued to monitor grantee-specific terms and conditions.

Internal Control Objective 2: Internal Controls Provide Reasonable Assurance That Procedures Used To Monitor Grants and Related Transactions Are Efficient

- The Division of Grants Management Operations' Grant Management Officers monitor the grant process and the drawdown of funds from the Division of Payment Management account.
- The Division of Grants Management Operations establishes standards and guides for grants management operations, and reviews grantee financial status reports and prepares reports and analyses on the grantee's use of funds.
- The Division of Grants Management Operations provides technical assistance to grantees on financial and administrative aspects of grants projects and develops standard operating procedures, methods and materials for the efficient administration of HRSA's grants programs.

Internal Control Objective 3: Internal Controls Provide Reasonable Assurance That the Agency has Mechanisms in Place to Monitor Grant Funds

- The grant monitoring phase began with the placement of terms and conditions into the Notice of Grant Award that was prepared by the Project Officers and grant management officers. The terms and conditions levied on Notice of Grant Awards are unique to individual grants and require a level of reporting to provide specific information towards the overall purpose and objective of the funding opportunity. The Electronic Handbooks provides the document status (e.g. not started, in progress, submitted).
- HRSA requires that grantees receive reminder emails for submissions due over the next 30 days and for overdue submissions. Terms and conditions are reviewed by Project Officers, grant management officers and project quality controllers to ensure that the requirements are met.
- The grantee must complete the assigned terms and conditions using the Electronic Handbooks. Terms and conditions are reviewed by HRSA staff. At this time, if necessary, the monitors may ask the grantee to submit further information. Within the Electronic Handbooks the monitors may leave notes for each other on specific topics or issues in general. After the monitors agree that the grantee has submitted all required material, HRSA sends a revised Notice of Grant Award to the Division of Payment Management. The Division of Payment Management establishes an account that allows the grantee to draw funds.
- OFAM's Division of Financial Integrity performs a financial assessment and provides recommendations to its Division of Grants Management Operations and the bureau to which the grant applies.

Internal Control Objective 4: Internal Controls Provide Reasonable Assurance That Funds Drawn Are Commensurate With Project Completion

- Grantees must submit quarterly reports with completion estimates and progress updates. From these reports, the Project Officers and project quality controllers review the actual level of work completed, compared to the expected level of work completed and the amount of funds drawn down. The quarterly reports also address other items, such as photos of the work site and the necessary permit verifications. The Electronic Handbooks will alert the grantee and project officer when the due date for reports is approaching. The Project Officers or project quality controllers arrange site visits, on a case-by-case basis, to assess the grant's progress and assist the grantee to meet the standard required by the grant so that the work may be accomplished by its expected completion date.
- HRSA staff will complete the monitoring phase of the project when the grantee completes the requirements of the grant and enters the final reporting phase. At this time,

the construction work is complete (or allocated monies spent), and the grantee submits required completion documents to HRSA. The Division of Grants Management Operations will initiate closeout of the grantee's account by the Division of Payment Management and close the reporting process via the Electronic Handbooks. BPHC will close the Notice of Grant Award.

Internal Control Objective 5: Internal Controls Provide Reasonable Assurance That Grantee Records Are Periodically Substantiated and Evaluated

- Pursuant to OMB Circular A-133 and 45 CFR § 74.26, grantees that expend more than \$500,000 in a fiscal year are required to obtain audits of their organization's operations annually from private accounting firms. Additionally, HRSA provides technical assistance and educational outreach to educate staff and to enhance administrative oversight of program activities.
- OFAM and BPHC use progress reports, financial statement reports and performance review reports, correspondence from the grantee, audit reports, site visits, and other available information to monitor costs and program results, identify potential problems, and identify areas where technical assistance or enforcement action may be necessary.

PHYSICAL SAFEGUARDS AND SECURITY

Internal Control Objective 1: Internal Controls Provide Reasonable Assurance That Access to Grant and Accounting Records, Critical Forms, Processing Areas, and Processing Procedures Are Permitted Only in Accordance With Policy

- HRSA maintains an agencywide security program to safeguard and secure access to records. In its Fiscal Year 2008 Improper Payments Information Act Risk Assessment (risk assessment), HRSA formalized system security requirements for all its financial and nonfinancial systems. HRSA's access controls include formal authorization, password requirements, and clearance levels. The risk assessment noted that HRSA also employs firewalls, intrusion detection systems, and anti-virus software at multiple tiers for information technology security. Finally, the risk assessment noted that HRSA has developed an Information Systems Security Plan to evaluate and mitigate potential threats.

Internal Control Objective 2: Internal Controls Provide Reasonable Assurance That Valuable Assets and Information Are Safeguarded From Unauthorized Access or Use

- HRSA officials told us HRSA has actively addressed security issues by providing frequent training to staff. HRSA has developed specialized security training for personnel with significant security responsibilities to comply with OMB requirements. HRSA also recently updated its security awareness course, which is an annual requirement for all personnel who use information systems.

- HRSA has a number of internal controls in place to ensure the safeguarding and security of data. HRSA maintains backup tapes offsite to provide recovery of data. It administers a Critical Infrastructure Protection program that emphasizes perimeter protection, incident response, and risk assessment. HRSA completes annual self-assessments, privacy impact assessments, and security reviews for all Federal Information Security Management Act (FISMA) critical systems. HRSA requires certification and accreditation for 100 percent of FISMA systems. Certification and accreditation ensures that safeguards are implemented effectively and commensurate with risks. HRSA also implemented HHS’s “Security & Privacy Online Reporting Tool” for tracking FISMA information.

ERROR HANDLING

Internal Control Objective 1: Internal Controls Provide Reasonable Assurance That the Health Resources and Services Administration Accurately and Promptly Classifies, Summarizes, and Reports Adjustments to Grant Information and Records

- At all times during the project, if the grantees identify the need to make adjustments to the project objectives or documentation and require assistance, they will communicate through the Electronic Handbooks system to their project officer. The project officer will then find the best course of action to assist the grantee to make corrections.
- BPHC monitors the Electronic Handbooks system for errors and to determine if grantees are missing documentation.
- The Electronic Handbooks system provides document status to BPHC and generates automatic notifications to grantees for missing information, including overdue notices.

SEGREGATION OF DUTIES

Internal Control Objective 1: Internal Controls Provide Reasonable Assurance That Opportunities for an Individual To Both Cause and Conceal Errors Are Reduced

- BPHC’s Project Officers establish or participate in the establishment of goals for new programs and are responsible for developing program guidance.
- BPHC’s Associate Administrator’s Office, the Office of General Counsel, and OFAM review, provide comments, and sign-off on BPHC guidance.
- OFAM’s Division of Grants Management Operations is responsible for coordinating all aspects of the grant-monitoring process. Grants Management Officers are independent of BPHC.

- OFAM's Division of Financial Integrity is responsible for performing the financial assessment and providing recommendations to its Division of Grants Management Operations and the bureau to which the grant applies.