



DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



January 18, 2013

TO: Patrick O'Rourke
Chief Financial Officer
Office of Financial Policy and Controls
Health Resources and Services Administration

FROM: /Gloria L. Jarmon/
Deputy Inspector General for Audit Services

SUBJECT: Independent Attestation Review: Health Resources and Services Administration
Drug Control Accounting for Fiscal Year 2012 (A-03-13-00357)

This report provides the results of our attestation review of the Health Resources and Services Administration (HRSA) fiscal year (FY) 2012 drug control accounting and the accompanying FY 2012 Drug Control Obligation Summary with required table.

Each National Drug Control Program agency must submit to the Director of the Office of National Drug Control Policy (ONDCP), not later than February 1 of each year, a detailed accounting of all funds expended by the agency for National Drug Control Program activities during the previous FY (21 U.S.C. § 1704(d)(A)). The section further requires that the accounting be "authenticated by the Inspector General for each agency prior to submission to the Director." The report is the responsibility of HRSA's management and was prepared by HRSA in accordance with section 9 of the ONDCP Circular entitled *Drug Control Accounting*, dated May 1, 2007. Section 9 allows an agency included in the National Drug Control Budget with prior-year drug-related obligations of less than \$50 million to submit an alternative report to ONDCP consisting of only the table of prior-year drug control obligations and omitting all other disclosures.

As required by the Federal statute (21 U.S.C. § 1704(d)(A)), we reviewed the attached HRSA report entitled "Health Resources and Services Administration Drug Control Accounting for Fiscal Year 2012," dated November 6, 2012. We conducted our attestation review in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is to express an opinion on management's report; accordingly, we do not express such an opinion.

HEALTH RESOURCES AND SERVICES ADMINISTRATION REPORT

HRSA’s report included a table that reported obligations of \$17,686,564. HRSA chose to provide the alternative report in lieu of a detailed report and provided a statement, as required by the ONDCP Circular, that full compliance would constitute an unreasonable reporting burden.

We performed review procedures on HRSA’s FY 2012 Drug Control Obligation Summary and table. In general, we limited our review procedures to inquiries and analytical procedures appropriate for our attestation review.

OFFICE OF INSPECTOR GENERAL CONCLUSION

Based on our review, nothing came to our attention that caused us to believe that HRSA’s FY 2012 drug control accounting report and the accompanying FY 2012 Drug Control Obligation Summary and table were not fairly stated, in all material respects, based on the ONDCP Circular. Further, nothing came to our attention that caused us to doubt that full compliance with the Circular would constitute an unreasonable reporting burden.

Although this report is an unrestricted public document, the information it contains is intended solely for the information and use of Congress, ONDCP, and HRSA and is not intended to be, and should not be, used by anyone other than these specified parties. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Kay L. Daly, Assistant Inspector General for Audit Services, at (202) 619-1157 or through email at Kay.Daly@oig.hhs.gov. Please refer to report number A-03-13-00357 in all correspondence.

Attachment

ATTACHMENT

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Health Resources and Services Administration

Resource Summary	Dollars in Millions
	FY 2012 Obligated
Drug Resources by Function	
Prevention	\$3.5
Treatment	\$14.2
Total Drug Resources by Function	\$17.7
Drug Resources by Decision Unit	
Bureau of Primary Health Care	\$17.7
Total Drug Resources by Decision Unit	\$17.7

- Methodology:** The Health Center Program Uniform Data System (UDS) tracks a variety of information, including patient demographics, services provided, staffing, clinical indicators, utilization rates, costs, and revenues. UDS data are collected annually from grantees and reported at the grantee, state, and national levels. The UDS reporting provides a reasonable basis for estimating the share of the Health Center Program grant funding used for substance abuse treatment by health centers. Using the data reflected in the most current UDS at the time estimates are made (FY 2011), total costs of substance abuse services is divided by total costs of all services to obtain a substance abuse percentage (SA%). The funding estimates in the table above were computed as described below:

FY 2012 Obligated Level: \$17.7 million

\$17.7 million SA% (.73%) x FY 2012 Health Center Program grants awarded for health center services (\$2.43 billion)

- Methodology Modification:** None
- Material Weaknesses or Other Findings:** None
- Reprogrammings or Transfers:** None
- Other Disclosures:** None