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Florida Did Not Fully Comply With Federal Reporting and Oversight Requirements for Its Opioid Response Grant

REPORT HIGHLIGHTS



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Why OIG Did This Audit

- The HHS Substance Abuse and Mental Health Services Administration (SAMHSA) awarded a series of grants to States and Tribes to combat opioid use disorder (OUD), including State Opioid Response (SOR) grants. These grants were intended to increase access to treatment, reduce unmet treatment needs, and reduce opioid overdose-related deaths.
- This audit is one in a series of audits of various States and Tribal organizations that receive funding through this grant. We determined how the Florida Department of Children and Families (DCF) implemented programs under the SOR grant and whether the activities of DCF and its subrecipients complied with Federal regulations and met grant program goals.

What OIG Found

DCF implemented the FY 2020 SOR grant by using existing contracts with private, non-profit organizations responsible for regional coordination of services called Managing Entities for most prevention, treatment, and recovery services. DCF also contracted with other organizations to implement SOR initiatives, including data management, recovery housing, and training and technical assistance. However, our audit found that DCF:

- Submitted a final Federal financial report (FFR) that was inaccurate and did not amend this report to reflect a reduction of \$779,928 in expenditures until more than 16 months after the project period ended.
- Did not adequately monitor subrecipient spending and could not support 5 of the 100 sampled expenditures we reviewed.
- Could not fully support reported outcomes for two of the four program goals related to reducing opioid-caused deaths and increasing access to treatment.

These issues primarily occurred because DCF did not refund SAMHSA timely, did not have an adequate process to monitor SOR grant expenditures, and did not maintain historical documentation used to complete progress reports.

What OIG Recommends and DCF Comments

We made five recommendations to DCF to improve its oversight and compliance with the SOR grant. These recommendations included considering updates to the reconciliation process so that FFRs are submitted accurately and timely, requiring a review of SOR expenditures in fiscal monitoring, and creating policies and procedures to maintain support data used to prepare programmatic reports. The full recommendations are in the report. In its written comments to our draft report, DCF concurred with all our recommendations and included information on actions it has taken or plans to take to address our recommendations.

TABLE OF CONTENTS

| | |
|---|----|
| INTRODUCTION | 1 |
| Why We Did This Audit | 1 |
| Objective | 1 |
| Background | 1 |
| State Opioid Response Grants..... | 1 |
| Florida Department of Children and Families | 2 |
| How We Conducted This Audit | 2 |
| FINDINGS..... | 3 |
| The Florida Department of Children and Families’ Implementation of the FY 2020 State Opioid Response Grants..... | 4 |
| The Florida Department of Children and Families Did Not Fully Comply With Federal Reporting and Oversight Requirements | 5 |
| The Florida Department of Children and Families Submitted an Amended Final FFR Untimely that Included a Refund to The Federal Government | 5 |
| The Florida Department of Children and Families Did Not Fully Comply With Federal Regulations Regarding Subrecipient Monitoring and Oversight..... | 6 |
| The Florida Department of Children and Families Could Not Support All Outcomes Reported for Program Goals On Its Final Progress Report | 7 |
| The Florida Department of Children and Families Supported Outcomes Reported for Prevention and Recovery Support Program Goals | 7 |
| The Florida Department of Children and Families Could Not Provide Adequate Support for Outcomes Reported for Their Program Goal of Reducing Opioid- Caused Deaths | 8 |
| The Florida Department of Children and Families Could Not Provide Adequate Support for Outcomes Reported for Their Program Goal of Increasing Access to Treatment | 9 |
| RECOMMENDATIONS | 11 |
| FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES’ COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE | 11 |

APPENDICES

| | |
|--|----|
| A: Audit Scope and Methodology | 13 |
| B: Related Office of Inspector General Reports..... | 15 |
| C: Federal and State Guidance..... | 16 |
| D: Florida Department of Children and Families Comments..... | 18 |

INTRODUCTION

WHY WE DID THIS AUDIT

The Department of Health and Human Services (HHS), Substance Abuse and Mental Health Services Administration (SAMHSA), has awarded a series of grants to States and Tribes to combat opioid use disorder (OUD). SAMHSA was authorized to award \$1 billion in OUD-related funding for Federal fiscal years (FYs) 2017 and 2018. These grants included the State Targeted Response (STR) to the Opioid Crisis grants, the State Opioid Response (SOR) grants, and the Tribal Opioid Response grants. In FY 2020, SAMHSA was authorized to award an additional \$1.4 billion in SOR grants. The purposes of these grants were to increase access to treatment, reduce unmet treatment needs, and reduce opioid overdose-related deaths through prevention, treatment, and recovery services for OUD. States and Tribes that received these grants were required to use the funds to supplement and not supplant existing opioid prevention, treatment, and recovery activities in their State.

In March 2020, the Office of Inspector General (OIG) issued a report examining the use of STR grant funds nationwide, which recommended that States improve data collection to better assist SAMHSA in monitoring grant funds.¹ This audit is one in a series of audits of various States and Tribal organizations that received funding through these grants (See Appendix B). We selected for audit the FY 2020 SOR grant awarded to the Florida Department of Children and Families (DCF) based on various risk factors, including the rate of drug overdose deaths in 2020 and the amount of funding awarded to DCF.

OBJECTIVE

Our objective was to determine how DCF implemented programs under the SOR grant and whether the activities of DCF and its subrecipients complied with Federal regulations and met grant program goals.

BACKGROUND

State Opioid Response Grants

In FY 2017, SAMHSA began awarding STR grants to States to address the opioid crisis. In FY 2018, SOR grants were awarded to succeed the STR grants. SAMHSA required in its Funding Opportunity Announcement (FOA) that grantees base the services provided in SOR grants on needs identified in the State's STR strategic plan. SAMHSA continued to award SOR grants in FY 2020 to address the opioid crisis by increasing access to medication for opioid use disorder (MOUD) using the three medications approved by the Food and Drug Administration (FDA) for treatment, reducing unmet treatment need, and reducing opioid overdose-related deaths by providing prevention, treatment, and recovery activities for OUD (including illicit use of

¹ OIG, [States' Use of Grant Funding for a Targeted Response to the Opioid Crisis \(OEI-BL-18-00460\)](#), Mar. 13, 2020.

prescription opioids, heroin, fentanyl and fentanyl analogs).^{2, 3} SAMHSA required that FDA-approved MOUD be made available to those diagnosed with OUD. In addition to providing MOUD, States were required to provide effective prevention and recovery support services to ensure that individuals receive a comprehensive array of services across the spectrum of prevention, treatment, and recovery. The FY 2020 SOR grant added additional services including evidence-based prevention, treatment, and recovery support services to address stimulant misuse and substance use disorders, including for cocaine and methamphetamine.

SAMHSA awarded \$200,340,874 in FY 2020 SOR grant funds to DCF for the project period of September 30, 2020, through September 29, 2022. In August 2022, SAMHSA granted a one-year, no-cost extension for the FY 2020 SOR grant that extended the grant period of performance from September 29, 2022, to September 29, 2023. SAMHSA has continued to award SOR grants to States, with the most current SOR grant being awarded in FY 2024 with a project period of up to three years.

Florida Department of Children and Families

The mission of DCF is to work in partnership with local communities to protect the vulnerable, promote strong and economically self-sufficient families, and advance personal and family recovery and resiliency. Within DCF, the Office of Substance Abuse and Mental Health (SAMH) is the State program office responsible for the oversight of a statewide system of care for the prevention, treatment, and recovery of children and adults with serious mental illnesses or substance use disorders.

HOW WE CONDUCTED THIS AUDIT

Our audit period for the FY 2020 SOR grant was from September 30, 2020, through September 29, 2023. This includes the first two years of the grant and the one-year, no-cost extension period. Of the \$200,340,874 awarded to DCF for the FY 2020 SOR grant, DCF expended \$173,042,785.

To determine how DCF implemented its programs and whether DCF and its subrecipients complied with Federal regulations, we reviewed DCF's internal policies and procedures, SOR agreements with subrecipients, and mid-year and annual progress reports. We also interviewed programmatic and financial officials from DCF and its subrecipients. In addition, we reconciled expenses claimed by subrecipients with DCF's general ledger, and then compared DCF's general ledger against the Federal financial report (FFR).

² MOUD is the use of medications, with counseling and behavioral therapies, to treat substance use disorders and prevent opioid overdose.

³ Three FDA-approved medications (methadone, buprenorphine, and naltrexone) are used to treat opioid dependence and addiction to opioids.

To determine whether DCF and its subrecipients met grant program goals, we reviewed DCF's FY 2020 SOR grant application, reviewed DCF's mid-year and annual progress reports, and interviewed DCF and subrecipient officials responsible for implementing the FY 2020 SOR grant. We then compared the outcomes reported in the final progress report for the grant goals and objectives with DCF-provided supporting documentation (e.g., summary spreadsheets and ad-hoc programmatic reports).

To assess DCF's operating effectiveness over the administration of grant funds, we selected a non-statistical sample of four subrecipients to review.⁴ We reviewed the same month of expenditure reports for each of the four subrecipients, based on an evaluation of the subrecipient contract and DCF's reporting process. From those reports, we selected a non-statistical sample of 100 expenditures to review additional supporting documentation to ensure that they occurred and were supported by network service provider documentation.^{5, 6}

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 objectives.

FINDINGS

DCF implemented the FY 2020 SOR grant by using existing contracts with Managing Entities (MEs) for most prevention, treatment, and recovery services.⁷ DCF also contracted with other organizations to implement SOR initiatives outside the ME purview, such as data management, recovery housing, and training and technical assistance.

However, DCF did not fully comply with Federal regulations regarding reporting and oversight of the SOR grant. Specifically, DCF's final FFR was inaccurate, the FFR amendment was untimely, and DCF could not support 5 of 100 sampled expenditures reviewed. These issues occurred because DCF did not have adequate procedures for refunding Federal funds timely, lacked a dedicated fiscal monitoring process for SOR expenditures, and had inadequate controls for data entry and documentation retention by subrecipients.

⁴ We limited our review of subrecipients to Managing Entities (MEs). ME funding compromised 83 percent of budgeted project costs. The four subrecipients we selected for review were budgeted to receive 67 percent of all ME funding and served 90 percent of the counties in Florida.

⁵ Sample expenditures included covered service events—such as case management services, assessment services, and MOUD treatment—listed on ME monthly expenditure reports.

⁶ Network service providers offer services for individuals eligible for SOR-funded programs and are under contract with MEs.

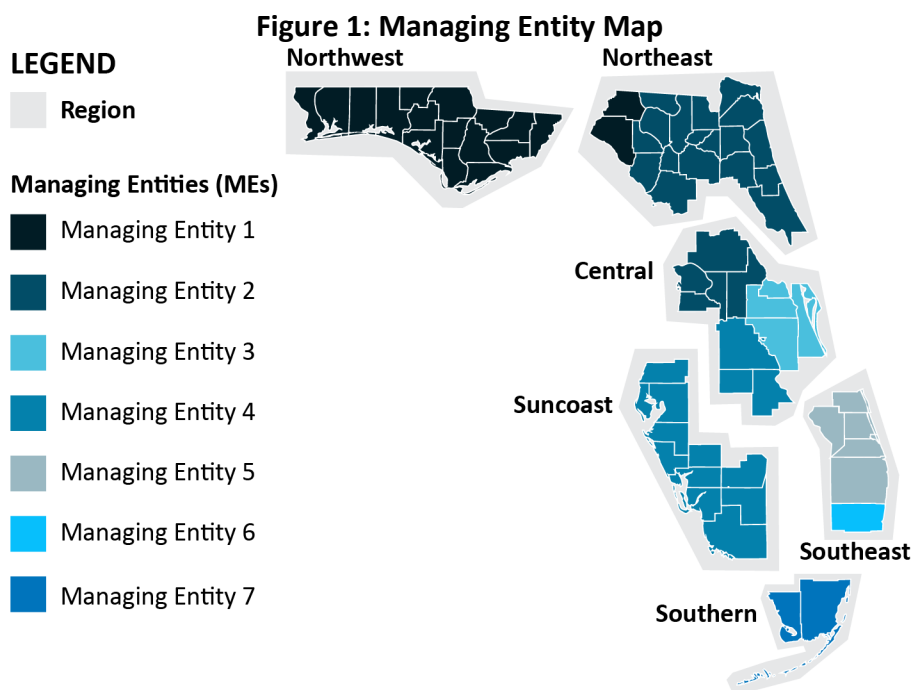
⁷ MEs are private, non-profit organizations responsible for overseeing contracts with local network service providers for prevention, treatment, and recovery support services in their respective region.

Finally, DCF could not fully support program goal outcomes reported in its final progress report to SAMHSA. Of their four program goals, DCF could not fully support the reported outcomes for two of them. DCF could not support these outcomes because it had an ineffective and inefficient process for recording data, did not have a standardized process for reporting data, and did not maintain documentation that was used historically to complete progress reports.

THE FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES' IMPLEMENTATION OF THE FY 2020 STATE OPIOID RESPONSE GRANTS

DCF implemented the FY 2020 SOR grant by making progress towards the goals to (1) reduce the numbers and rates of opioid-caused deaths, (2) prevent opioid and stimulant misuse among young people, (3) increase access to the most effective treatments for opioid and stimulant use disorders, and (4) expand access to recovery support services.

DCF's SAMH manages contracts with seven MEs for the administration and management of regional behavioral health services and supports, including core SOR-funded services.⁸ Most of DCF's FY 2020 SOR grant funds were allocated to these MEs. As Figure 1 depicts, the State is divided into six regions and has seven MEs.



Source: Florida Department of Children and Families

⁸ Florida Statute 394.9082 requires DCF to contract with MEs to oversee behavioral health services in their regions. The purpose of the ME is to plan, coordinate, and contract for the delivery of community mental health and substance abuse services, to improve access to care, to promote service continuity, to purchase services, and to support efficient and effective delivery of services.

For SOR programs and services not funded through ME contracts, SAMH worked with other organizations. Examples of programs and services that were managed by other organizations include implementing data management systems, establishing recovery residences throughout the State, supporting a mobile buprenorphine pilot project, and providing training and technical assistance to court staff.

THE FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES DID NOT FULLY COMPLY WITH FEDERAL REPORTING AND OVERSIGHT REQUIREMENTS

DCF did not fully comply with Federal reporting and oversight requirements of the SOR grant. Specifically, DCF submitted a final FFR that was inaccurate and did not amend the final FFR to reflect a reduction of \$779,928 in expenditures until more than 1 year after the final FFR was due and over 16 months after the grant project period ended. In addition, DCF did not adequately monitor subrecipient spending to determine whether the expenditures were allowable for 5 of the 100 sampled expenditures we reviewed.

The Florida Department of Children and Families Submitted an Amended Final FFR Untimely that Included a Refund to The Federal Government

The HHS Grants Policy Statement requires recipients to ensure that the information submitted in a FFR is accurate, complete, and consistent with the recipient's accounting system.⁹ Federal regulations require the financial management systems of each non-Federal entity to provide an accurate, current, and complete disclosure of the financial results of each Federal award or program. It must also provide records that identify the source and application of funds for federally funded activities (45 CFR § 75.302(b)). The Notice of Award for the FY 2020 SOR grant requires that the recipient take the following steps within 120 calendar days after the end of the project period:

- Reconcile financial expenditures associated with the award;
- Liquidate all obligations incurred under the award;
- Return any funds due to Payment Management Services (PMS) due to refunds, corrections, or audits; and
- Submit required final reports (including the final FFR).

DCF's final FFR, submitted in January 2024 did not include the full amount of refunds SAMHSA was due and the amended final FFR submitted to SAMHSA was untimely. To fix the inaccurate final FFR, DCF submitted an amended final FFR to SAMHSA in February 2025, more than 16 months after the end of the grant project period (September 2023) and more than 1 year after the final FFR was due (January 2024). This occurred because of inefficiencies in the reconciliation process. MEs are paid by DCF each month based on a fixed monthly allocation of

⁹ HHS Grants Policy Statement, II-83 (Jan. 1, 2007). We cite to the version of the Grants Policy Statement in effect during our audit period. The current Grants Policy Statement, which took effect in October 2024 contains the same requirement.

the contract amount for the SOR award and are required to submit expenditure reports each month for all State and Federal funding. DCF performs a reconciliation between the payments made throughout the year and expenditure reports at the end of the State fiscal year. The MEs are required to submit a refund to DCF as part of the final reconciliation process if the MEs receive more funds than their reported expenditures. The amount of refunds due to SAMHSA for all unspent funds submitted in the amended FFR for the SOR award was \$779,928. DCF finance staff noted that manual reviews are necessary to determine the refund amounts for an amended FFR and the delay could be attributed to limited staffing resources available to complete the manual process and a timing difference between the State and Federal fiscal years. Without a timely reconciliation process, DCF may continue to submit inaccurate FFRs, and SAMHSA would not have timely and accurate information to provide effective oversight of DCF's SOR funding. While we were conducting our audit, DCF completed the refund process for the \$779,928 referenced above. As such, we are not making a recommendation to refund this amount to the Federal Government.

The Florida Department of Children and Families Did Not Fully Comply With Federal Regulations Regarding Subrecipient Monitoring and Oversight

Federal regulations state that the recipient must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes; in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved (45 CFR § 75.352(d)). State law requires MEs to collect and submit data to DCF regarding persons served, outcomes of persons served, and the costs of services provided through contract with DCF (Florida Statute Title XXIX Chapter 394.9082(7)).

Network service providers who were contracted with MEs to provide SOR services supported 95 of the 100 expenditures we reviewed. These 95 non-statistically selected sample expenditures totaled \$39,683. However, for five non-statistically selected sample expenditures we reviewed, either supporting documentation did not reconcile to the billed amount within the expenditure data or adequate supporting documentation was not maintained. For example, the electronic data used to create expenditure reports for one service listed the sample service event for individual therapy as 1,470 minutes, while the supporting documentation maintained by the network service provider showed that the service event was only 30 minutes. The five sample services that we determined were not fully supported totaled \$2,573.

For two of the five sample items, human error and system issues led to overbilling for the services. For the remaining three sample items, ME and network service provider staff noted that they had not historically maintained documentation to support the duration of the service event, even though this is required by the State administrative code (F.A.C. 65E-14.021). However, ME staff did inform the audit team that network service providers under contract with them are now required to maintain additional support, including case notes to document the duration of the service event.

Furthermore, while DCF finance staff conduct desk reviews of ME expenditures throughout the year, officials stated that they do not always review SOR expenditures in their sample. Requiring a review of SOR expenditures could increase the reliability and accuracy of SOR-reported services from subrecipients. Accurate service data, supported by client file information, enhances DCFs ability to demonstrate that Federal funds are used only for allowable purposes and that the data are reliable for measuring performance and billing.

THE FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES COULD NOT SUPPORT ALL OUTCOMES REPORTED FOR PROGRAM GOALS ON ITS FINAL PROGRESS REPORT

DCF established four goals for the FY 2020 SOR grant but was only able to provide adequate support for two of the reported outcomes. The audit team requested and reviewed supporting documentation for the outcomes reported by DCF on their final progress report. The support that DCF provided included summary spreadsheets, data pulled from service data collection systems, and programmatic reports from subrecipients.

The Florida Department of Children and Families Supported Outcomes Reported for Prevention and Recovery Support Program Goals

As part of the grant application process, DCF established specific goals and objectives for the SOR grant. DCF must report on their progress toward meeting these goals and objectives throughout the project period of the grant. For our audit period, the FY 2020 SOR grant goals were to:

- (1) reduce numbers and rates of opioid-caused deaths;
- (2) prevent opioid and stimulant misuse among young people;
- (3) increase access to the most effective treatments for opioid and stimulant use disorders;
and
- (4) expand access to recovery support services.

DCF reported to SAMHSA that it met three of these four goals. However, it acknowledged that it did not fully meet the third goal of increasing access to effective treatment, and our audit found it could not fully support the reported outcomes. We also found that DCF could not fully support the reported outcomes for the first goal of reducing numbers and rates of opioid-caused deaths.

To meet the second goal of preventing opioid and stimulant misuse among young people, DCF approved 12 evidence-based prevention programs to expand services throughout the State. These approved programs included school-based programs dedicated to helping youth avoid the misuse of opioids and prescription drugs. DCF also implemented a media campaign to meet SAMHSA's requirements of employing evidence-based strategic messaging on the consequences of opioid misuse. To meet their fourth goal of expanding access to recovery support services, DCF prioritized the development of Recovery Community Organizations (RCOs) that are led and governed by representatives of local communities of recovery to

support individuals in long-term recovery and their family members. DCF also partnered with an organization to increase recovery residences throughout the State. During the FY 2020 SOR project period, DCF reported the establishment of 63 new recovery residences in Florida.

The Florida Department of Children and Families Could Not Provide Adequate Support for Outcomes Reported for Their Program Goal of Reducing Opioid-Caused Deaths

SAMHSA FOA TI-20-012 requires recipients to implement prevention and education services that include training peers and first responders to recognize opioid overdoses and the appropriate use of the opioid overdose antidote naloxone. Recipients must also purchase and distribute naloxone. SAMHSA requires recipients to periodically review the performance data they report to SAMHSA, assess their progress toward achieving program goals, and use the performance data to improve the management of their grant projects.

DCF could not fully support the number of naloxone kit distributions and overdose prevention trainings reported on their final progress report to SAMHSA. DCF used its existing Overdose Prevention Program (OPP) network to distribute naloxone kits. Naloxone is an easy-to-use, lifesaving antidote to overdose from heroin or other opioids; it helps restore breathing within 2 to 3 minutes of administration.¹⁰ Organizations enrolled in the OPP are also trained to provide overdose recognition and response training to individuals in the community. An overview of the enrollment and reporting process for DCF's OPP is detailed in Figure 2.

Figure 2: OPP Enrollment and Reporting Process



In its final progress report, DCF reported the distribution of 370,464 naloxone kits and the training of 32,278 individuals on overdose prevention. These reported outcomes significantly exceeded the program objectives of distributing 80,000 kits per year and training 750 individuals on overdose prevention per year. However, DCF did not require organizations

¹⁰ Naloxone is most easily administered as a nasal spray and is distributed under the brand name Narcan.

enrolled in its OPP to maintain or provide support that naloxone kits were distributed or that trainings were conducted. Organizations self-reported their naloxone kit distributions and overdose prevention trainings each month to DCF staff. DCF staff then compiled these reported outcomes manually into a variety of summary spreadsheets.

At the beginning of the FY 2020 SOR grant project period, DCF OPP staff noted that monthly reports for the distribution of naloxone kits from enrolled organizations were sent by email or given over the phone to a single DCF staff member. DCF noted that this process was inefficient and led to inaccuracies and late submissions. In response to these issues, DCF created a new electronic reporting mechanism using an online survey link that each enrolled organization is required to use. However, even with the implementation of this new reporting mechanism, DCF continued to note inefficiencies and ineffectiveness when monthly reports were inaccurate or submitted late and they would need to use email and phone submissions. For example, for the month of September 2021, DCF summary spreadsheets showed 12,376 naloxone kits had been distributed. Of these, DCF attested that 9,683 were reported using the survey link as required by DCF's OPP while 1,430 were reported via emails and 1,263 were reported by phone after the organizations failed to respond by the deadline.

DCF also encountered issues regarding overdose prevention trainings reported. DCF stated that organizations enrolled in DCF's OPP that perform overdose recognition and response training report these trainings via the survey link as well. However, DCF does not require any documentation or review these trainings to ensure they occurred. For example, the audit team requested additional supporting documentation to confirm the number of reported training participants listed on the summary spreadsheet (2,652) for September 2022. However, DCF only provided supporting documentation, such as sign-in sheets, for 286 participants. All other trainings from that month were self-reported by organizations enrolled in the OPP and no supporting documentation was required or maintained by DCF.

DCF noted in its final progress report that its OPP has been instrumental in naloxone distribution but had grown at an exponential rate. DCF officials said that the rapid increase and multiple funding streams have made it challenging to track data based on the funding source. DCF was in the process of procuring a new reporting system to meet the needs of the program during our fieldwork. The audit team applauds DCF for their efforts to enhance reporting integrity through the new system but was unable to test this as a part of our audit because the new reporting system had not been finalized. Without effective reporting mechanisms in place, DCF cannot ensure that reported numbers are accurate and supported.

The Florida Department of Children and Families Could Not Provide Adequate Support for Outcomes Reported for Their Program Goal of Increasing Access to Treatment

SAMHSA FOA TI-20-012 requires grant recipients to collect and report on performance measures specific to SOR programs and implement service delivery models that enable the full spectrum of treatment and recovery support services that facilitate positive treatment outcomes and long-term recovery. SAMHSA requires recipients to periodically review the

performance data they report to SAMHSA, assess their progress toward achieving program goals, and use the performance data to improve the management of their grant projects.

DCF could not support numbers reported on the final progress report submitted to SAMHSA. DCF established an objective for the FY 2020 SOR grant to increase new admissions to buprenorphine or methadone maintenance treatment by 10,000 individuals per grant year. Within its final progress report submitted to SAMHSA, DCF reported 14,628 new admissions into buprenorphine or methadone maintenance during the project period (including the no-cost extension period). This reported amount was 5,372 less than the stated objective of 20,000 new admissions during the two-year initial grant period. Furthermore, documentation provided to the audit team by DCF staff only supported 9,464 new admissions (5,164 less than what was reported).

DCF implemented the Financial and Services Accountability Management System (FASAMS) in January 2019 as a uniform management information and fiscal accounting system for providers of community substance abuse and mental health services. FASAMS allows organizations that have contracts with DCF to submit data on people served by substance abuse and mental health programs. Data used to support this program goal was pulled from FASAMS. However, within progress reports submitted to SAMHSA, DCF noted that accurate data collection continued to be an ongoing challenge during the project period. On multiple occasions during the audit period, DCF pulled service data from FASAMS, its Web Infrastructure for Treatment Services system, or a combination of both when compiling data for the progress reports.¹¹ DCF program staff told the audit team that supporting documentation used to create progress reports historically was not maintained for the FY 2020 SOR grant. Therefore, DCF had to pull service data from FASAMS during our fieldwork to attempt to support the outcomes reported.

DCF did not have any written policies, procedures, or standardized processes in place for gathering or analyzing SOR program data for this program goal. Without this, a higher risk for inconsistency and inaccuracy exists across reporting periods throughout the grant. Also, DCF experienced turnover in key positions, such as the project director and data analyst positions, during the FY 2020 SOR project period. SOR data analysts were responsible for providing service data to the project director for input into the progress reports. Because of a lack of policies and procedures, the absence of a standardized process for using program data collected, and the failure to maintain historical documentation, DCF was unable to fully support the amounts reported to SAMHSA.

Without accurate reporting by DCF, SAMHSA cannot rely on the data provided on the mid-year and annual progress reports to ensure that program goals and objectives are being met.

¹¹ The Web Infrastructure for Treatment Services system is used by DCF and its subrecipients to collect Government Performance and Results Act (GPRA) information required by SAMHSA.

RECOMMENDATIONS

We recommend that the Florida Department of Children and Families:

- update the reconciliation process, or consider an alternative approach, so that FFRs are submitted accurately and refunds of unspent funds are executed timely;
- require that a review of SOR expenditures is included in DCF's desk reviews;
- require that MEs strengthen controls over service data entry and support maintained by network service providers;
- require OPP-enrolled organizations to maintain supporting documentation for Federal grant activities reported and include information on reporting requirements and consequences for inaccurate or untimely reporting in future trainings; and
- develop policies and procedures for maintaining data used to prepare progress reports for SOR grants, including a standardized process for using data when reporting program goal outcomes.

FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES' COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

In its written comments on our draft report, DCF concurred with all our recommendations and included information on actions it has taken or plans to take to address our recommendations.

DCF stated that between 2019 and 2021, the SOR grant faced challenges due to the COVID-19 pandemic. DCF noted that the crisis led to unavoidable disruptions, including multiple turnovers in key staff positions, which affected program oversight. Additionally, DCF stated that the response effort had to rapidly adapt its strategies to ensure consistent service delivery while navigating pandemic-related restrictions, shifting priorities, and increased demand for substance use treatment and support.

DCF noted that it has created action plans for the audit recommendations. These plans include the following:

- Regarding our first recommendation to update the reconciliation process, or consider an alternative approach, so that FFRs are submitted accurately and refunds of unspent funds are executed timely, DCF stated that the appropriate staff received period of performance training. In addition, DCF developed and implemented enhanced period of performance review procedures to ensure expenditures and refunds are properly coded to the correct grant year before submission of the FFRs.

- Regarding our second recommendation to require that a review of SOR expenditures is included in DCF's desk reviews, DCF stated that it is updating their monitoring procedures to ensure at least one SOR grant expenditure per ME is tested in every desk review. Further, DCF stated that it developed operating procedures for designated grant staff to review grant expenditures monthly.
- Regarding our third recommendation to require that MEs strengthen controls over service data entry and support maintained by network service providers, DCF stated that it developed operating procedures for designated staff to review all data entry monthly.
- Regarding our fourth recommendation to require OPP-enrolled organizations to maintain supporting documentation for Federal grant activities reported and include information on reporting requirements and consequences for inaccurate or untimely reporting in future trainings, DCF stated that it established operating procedures to facilitate the monthly collection of data processes, including required sign-in sheets for training.
- Regarding our fifth recommendation to develop policies and procedures for maintaining data used to prepare progress reports for SOR grants, including a standardized process for using data when reporting program goal outcomes, DCF stated that it established operating procedures to ensure that all data collected from any database is securely stored alongside the corresponding report to provide necessary support for the reported information.

DCF's comments are included in their entirety as Appendix D.

We commend DCF for taking corrective action, although we have not verified those actions.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Our audit period for the FY 2020 SOR grant was from September 30, 2020, through September 29, 2023. This includes the first two years of the grant and the one-year, no-cost extension period. Of the \$200,340,874 awarded to DCF for the FY 2020 SOR grant, DCF expended \$173,042,785. Our audit objective did not require an assessment of DCF's complete internal control structure. We limited our review of internal controls to those related to DCF's policies and procedures for subrecipient monitoring, data collection, and reporting. We reviewed DCF's internal control design by reviewing DCF's monitoring procedures and data collection processes for progress reporting and interviewing DCF's financial and programmatic staff.

This audit is one in a nationwide series of audits. We conducted our audit work from March 2024 through March 2025.

METHODOLOGY

To accomplish our objective, we took the following steps:

- reviewed applicable Federal, State, and grant requirements related to SAMHSA's SOR grants;
- interviewed SAMHSA officials regarding DCF's progress in meeting the objectives of the grants, challenges of meeting the goals of the SOR grants, and concerns related to the implementation of the grants;
- reviewed DCF's grant application to identify how DCF planned to implement programs to meet SOR grant goals;
- reconciled SOR grant expenditures with the final Federal financial report;
- interviewed DCF officials to gain an understanding of DCF's process for completing progress reports submitted to SAMHSA;
- interviewed DCF's financial and programmatic staff and reviewed policies and procedures to obtain an understanding of DCF's monitoring of subrecipients' activities;
- interviewed DCF officials responsible for administering the SOR grants to gain an understanding of DCF's approach to distributing SOR funds and whether DCF faced any challenges or barriers when implementing the programs;

- conducted a risk assessment to select a non-statistical sample of four subrecipients for review based on funding, service area, and number of network service providers (see footnote 4);
- selected and reviewed the same monthly expenditure report (July 2022) from each of the four subrecipients based on an evaluation of the ME contracts and DCF's reporting process. The expenditures reported on the four reports totaled \$717,665;
- selected a non-statistical sample of 25 individual expenditures from each of the four expenditure reports based on factors such as dollar amount, number of covered services that occurred, and type of covered service to examine supporting documentation to ensure the expenditures occurred and were adequately documented (see footnote 5 for types of services reviewed);
- interviewed SOR related staff from selected subrecipients regarding implementation of the SOR grant to gain an understanding of the prevention, treatment, and recovery services provided;
- interviewed SOR-related staff from selected subrecipients to obtain an understanding of the subrecipients' data collection and reporting processes for the SOR grants;
- reconciled subrecipients' SOR grant expenses with DCF's general ledger;
- assessed DCF's internal controls by reviewing policies and procedures related to subrecipient monitoring and data collection; and
- discussed the results of our audit with DCF officials on March 25, 2025.

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 objectives.

APPENDIX B: RELATED OFFICE OF INSPECTOR GENERAL REPORTS

| Report Title | Report Number | Date Issued |
|---|--|-------------|
| <i>West Virginia Lacked Effective Oversight of Its Opioid Response Grants</i> | <u>A-06-22-01005</u> | 4/22/2024 |
| <i>New Jersey Complied With Federal Regulations When Implementing Programs Under SAMHSA’S Opioid Response Grants, But Did Not Meet Its Program Services Goals</i> | <u>A-02-22-02002</u> | 3/27/2024 |
| <i>Vermont Complied With Regulations When Implementing Programs Under SAMHSA’s Opioid Response Grants, but Claimed Unallowable Expenditures</i> | <u>A-01-20-01501</u> | 5/24/2023 |
| <i>Louisiana Faced Compliance and Contracting Challenges in Implementing Opioid Response Grant Programs</i> | <u>A-06-20-07003</u> | 4/8/2022 |
| <i>Choctaw Nation of Oklahoma Made Progress Toward Meeting Program Goals During the First Year of Its Tribal Opioid Response Grant</i> | <u>A-07-20-04121</u> | 1/20/2021 |
| <i>States’ Use of Grant Funding for a Targeted Response to the Opioid Crisis</i> | <u>OEI-BL-18-00460</u> | 3/13/2020 |

APPENDIX C: FEDERAL AND STATE GUIDANCE

FEDERAL REGULATIONS

Federal regulations require the financial management system of each non-Federal entity to provide accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in 45 CFR §§ 75.341 and 75.342. Records must adequately identify the source and application of funds for the federally funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest and be supported by source documentation. The non-Federal entity must provide effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes (45 CFR § 75.302).

Federal regulations state that grant recipients must establish and maintain effective internal control over grant funds and provide reasonable assurance that recipients are managing the program in compliance with Federal statutes, regulations, and the terms and conditions of the Federal grant (45 CFR § 75.303(a)).

Federal regulations state that grant recipients are responsible for oversight of the operations of Federal award-supported activities. Recipients must monitor their activities under Federal awards to ensure that they comply with applicable Federal requirements and achieve performance expectations. Monitoring by the recipient must cover each program, function, or activity (45 CFR § 75.342(a)).

Federal regulations state that grant recipients must submit performance reports using Office of Management and Budget-approved governmentwide standard information collections when providing performance information. These reports will contain, for each Federal award, brief information on the following unless other collections are approved by OMB: a comparison of actual accomplishments with the objectives of the Federal award established for the period (45 CFR § 75.342(b)(2)(i)).

Federal regulations state that subawards may be provided by a non-Federal entity to a subrecipient through any form of legal agreement, even an agreement considered to be a contract (45 CFR § 75.2). Pass-through entities must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes and the terms and conditions of the subaward, and that subaward performance goals are achieved (45 CFR § 75.352). In addition, pass-through entity monitoring of the subrecipient must include reviewing financial and performance reports required by the pass-through entity (45 CFR § 75.352(d)(1)).

FEDERAL FUNDING OPPORTUNITY ANNOUNCEMENT

SAMHSA FOA TI-20-012 requires all SAMHSA grantees to collect and report on performance measures specific to the SOR program, including the number of people who receive OUD treatment and recovery services. For the SOR grant, this includes demographic characteristics, substance use, diagnosis(es) services received, types of MOUD received, and housing. All grantees that receive the SOR grant are required to prepare and submit to SAMHSA an annual report at the conclusion of each year (FOA TI-20-012).

SAMHSA FOA TI-20-012 notes that SAMHSA intends that its services grants result in the delivery of services as soon as possible after award and required grantees to periodically review the performance data they report to SAMHSA, assess their progress toward achieving program goals, and use the performance data to improve the management of their grant projects (FOA TI-20-012).

NOTICE OF AWARD REQUIREMENTS

SAMHSA FY 2020 SOR Grant Notice of Award requires recipients of funds to report on their progress in addressing the goals and objectives identified in the FOA. Recipients are required to submit a Mid-Year and Annual Report on the progress achieved, barriers encountered, and efforts to overcome these barriers. The first Annual Report was due by October 30, 2021.

SAMHSA FY 2020 SOR Grant Notice of Award requires the annual Federal financial report to be issued 90 days after the budget period end date. The final Federal financial report is to be issued 120 days after the end of the project period.

STATE STATUTES

Florida statute requires the use of a regional management structure that facilitates a comprehensive and cohesive system of coordinated care for behavioral health treatment and prevention services that will improve access to care, promote service continuity, and provide for more efficient and effective delivery of substance abuse and mental health services. It is the intent of the Florida Legislature that Managing Entities work to create linkages among various services and systems, including juvenile justice and adult criminal justice, child welfare, housing services, homeless systems of care, and health care. The Florida Department of Children and Families is responsible for contracting with organizations to serve as Managing Entities (Florida Statute, Title XXIX, Chapter 394 Section 9082).



**State of Florida
Department of Children and Families**

Ron DeSantis
Governor

Taylor N. Hatch
Secretary

June 17, 2025

Truman Mayfield, Regional Inspector General for Audit Services
U.S. Department of Health & Human Services
Office of Inspector General
Office of Audit Services, Region IV
61 Forsyth Street, SW, Suite 3T41
Atlanta, GA 30303

RE: Written Response for Report A-04-24-08106

Dear Mr. Mayfield:

The Department of Children and Families, Substance Abuse and Mental Health Office respectfully submits its response to the State Opioid Response Grant audit performed by the U.S. Department of Health & Human Services, Office of Inspector General for Federal Fiscal Year 2020. We appreciate the thoroughness and professionalism with which the audit was conducted. Between 2019 and 2021, our state's opioid response grant faced challenges due to the COVID-19 pandemic. The crisis led to unavoidable disruptions, including multiple turnovers in key staff positions, which affected program oversight. Additionally, the response effort had to rapidly adapt its strategies to ensure consistent service delivery while navigating pandemic-related restrictions, shifting priorities, and increased demand for substance use treatment and support. Despite these obstacles, the program remained committed to its mission, implementing innovative solutions such as telehealth services, expanded community outreach, and strengthened collaborations to sustain care for those affected by opioid addiction. Having carefully reviewed the audit findings, we would like to address each of the identified issues as follows:

1. The Department concurs with the recommendation to update the reconciliation process, or consider an alternative approach, so that Federal Financial Reports are submitted accurately, and refunds of unspent funds are executed timely. The appropriate Department staff have received period of performance training. Additionally, enhanced Period of Performance Review procedures have been developed and implemented to ensure that expenditures and refunds are properly coded to the correct grant year before the submission of the Federal Financial Reports.
2. The Department concurs with the recommendation to require a review of State Opioid Response expenditures be included in the Department desk reviews. The Department is updating their monitoring procedures to ensure at least one State Opioid Response grant expenditure per Managing Entity is tested in every desk review moving forward. In addition, operating procedures have been developed for designated grant staff to review grant expenditures monthly.
3. The Department concurs with recommendations to require Managing Entities to strengthen controls over service data entry and support maintained by network service

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providers. Operating procedures have been developed for designated grant staff to review all data entry monthly.

4. The Department concurs with recommendations to require Overdose Prevention Program enrolled organizations to maintain supporting documentation for Federal grant activities reported and include information on reporting requirements and consequences for inaccurate or untimely reporting in future trainings. Operating procedures have been established to facilitate the monthly collection of data process, including required sign-in sheets for trainings. Additionally, the Overdose Prevention Program has developed policies and procedures to enhance oversight of grant-funded activities, ensuring compliance with relevant regulations and accountability standards, pending approval for implementation.
5. The Department concurs with recommendations to develop policies and procedures for maintaining data used to prepare progress reports for State Opioid Response grants, including a standardized process for using data when reporting program goal outcomes. Operating procedures have been established to ensure that all data collected from any database is securely stored alongside the corresponding report, providing necessary support for the reported information.

We remain dedicated to upholding the highest standards of compliance and best practices in every aspect of grant oversight. We appreciate the professionalism and dedication of your audit team in fostering a transparent and collaborative environment throughout the audit process, ensuring meaningful and valuable progress.

If you require further information or have additional questions, do not hesitate to contact me at erica.floydthomas@myflfamilies.com.

Sincerely,



Erica Floyd Thomas
Assistant Secretary for Substance Abuse and Mental Health
Florida Department of Children and Families
Substance Abuse and Mental Health Office

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