

Report in Brief

Date: May 2023

Report No. A-01-20-01501

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



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. These grants included the Opioid State Targeted Response (STR) and the State Opioid Response (SOR) grants. The purposes of these grants were to increase access to treatment, reduce unmet treatment needs, and reduce opioid overdose-related deaths.

Our objectives were to determine: (1) how Vermont implemented programs under SAMHSA's STR and SOR grants and (2) whether the activities of Vermont entities responsible for implementing the programs complied with Federal and State regulations and met grant program goals.

How OIG Did This Audit

Our audit period covered May 1, 2017, through June 30, 2020, for the STR grant and September 30, 2018, through September 29, 2020, for the SOR grant. To accomplish our audit objective, we reviewed STR and SOR grant documentation and interviewed Vermont officials to determine how programs were implemented and whether Vermont complied with Federal and State regulations and met grant program goal requirements during the audit. In addition, we reviewed 25 invoices (5 per subrecipient) for the 5 subrecipients we selected to determine whether the expenses were reasonable, allowable, and allocable to the STR and SOR grants.

Vermont Complied With Regulations When Implementing Programs Under SAMHSA's Opioid Response Grants but Claimed Unallowable Expenditures

What OIG Found

Vermont's program related activities and its subrecipients responsible for implementing the programs complied with Federal and State regulations and met program goals of the STR and SOR grant. However, with regards to its financial related activities, Vermont claimed \$282,643 to the STR and SOR grants for unallowable subrecipient expenditures. Vermont reimbursed the unallowable subrecipient expenditures because its internal controls did not identify whether subrecipient expenditures were allowable to the STR and SOR grants. Specifically, Vermont did not: (1) ensure staff with appropriate training or accounting knowledge conducted pre-award risk assessments, (2) conduct annual site visits as required by the terms and conditions of the grant, and (3) require documentation to support the monthly invoices submitted by the subrecipients of the STR and SOR grant funds.

What OIG Recommends and Vermont Comments

We recommend that Vermont: (1) refund \$282,643 to the Federal Government, (2) require subrecipients to provide and retain supporting documentation for invoices submitted for reimbursement under Federal grants, (3) conduct a periodic review of supporting documentation for any subrecipient expenditures submitted for reimbursement, (4) provide training to the State employees responsible for conducting pre-award risk assessments, (5) conduct annual site visits as required by the terms and conditions of the grant award that include both a program and fiscal review.

In written comments on our draft report, Vermont did not indicate concurrence or nonconcurrence with our findings or recommendations; however, it requested removal of our first recommendation and described corrective actions it has taken or plans to take with the remaining recommendations. In response to our recommendations, Vermont has begun an orientation with subrecipients on the requirements to maintain all records pertaining to the performance under their agreement, will begin conducting periodic reviews of supporting documentation of subrecipient expenditures, and resumed required site visits. We maintain that our first recommendation is valid for Vermont to refund \$282,643 in unallowable costs to the Federal Government, and we recognize the steps Vermont has taken and plans to take to strengthen its internal controls over Federal funds.