

Report in Brief

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Report No. A-02-22-02001

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



Why OIG Did This Audit

Chronic diseases and their outcomes disproportionately impact certain racial and ethnic populations and are largely driven by preventable health behaviors. The Racial and Ethnic Approaches to Community Health (REACH) program, administered by the Centers for Disease Control and Prevention (CDC), is at the forefront of CDC's efforts to address racial and ethnic disparities in health. REACH program recipients use the awarded funds to work with communities to reduce health disparities. Recipients are required to work with priority populations. The work must be in three of four strategy areas: tobacco use, nutrition, physical activity, and community-clinical linkages.

The objective of this audit was to determine whether selected recipients used their REACH program funding in accordance with Federal requirements and award terms.

How OIG Did This Audit

This audit covered REACH program funds totaling \$14,920,345 awarded to 10 recipients for the period September 2018 through September 2020. We judgmentally selected 10 recipients based on multiple risk factors. For each selected recipient, we determined whether the recipient (1) worked with the required priority populations, (2) worked in the required REACH strategy areas, (3) met the performance goals outlined in their evaluation and performance measurement plans, and (4) claimed allowable costs.

Selected CDC Racial and Ethnic Approaches to Community Health Program Recipients Generally Complied with Federal Requirements But Did Not Meet All Targets and Charged Some Unallowable Costs

What OIG Found

The selected recipients generally used their REACH program funding in accordance with Federal requirements and award terms. In addition, the selected recipients complied with requirements for working with the priority populations and in the required strategy areas. However, the recipients did not meet all targeted performance measures, and some charged or may have charged unallowable costs. Specifically, all 10 selected recipients did not meet all targeted performance measures, 5 charged unallowable costs totaling \$236,587, and 6 may have charged unallowable costs totaling \$1,377,025 because staff salaries and fringe benefit expenditures were not properly allocated to their REACH award.

These deficiencies occurred because recipients faced challenges and barriers in implementing program activities mainly because of COVID-19-related safety restrictions and protocols. Recipients faced other challenges with language barriers, lack of staff, and staffing turnover. In addition, recipients did not maintain financial management systems and internal controls that ensured that only allowable, allocable, and documented costs were charged to their REACH awards

What OIG Recommends and CDC Comments

We made several recommendations to CDC, including that it provide additional technical assistance to recipients to ensure that only allowable, allocable, and documented costs are charged to their REACH program awards. We also recommend that CDC require the selected recipients to refund unallowable costs to the Federal Government.

CDC concurred with our recommendations and described actions it has taken or is planning to take to address them. CDC provided additional documentation for some questioned costs and we adjusted the dollar amount in our recommendation. We maintain that our findings and recommendations, as revised, are valid and acknowledge CDC's efforts to ensure appropriate use and oversight of REACH program funding.