State Project/Program: NC COMMUNITY AND CLINICAL CONNECTIONS FOR PREVENTION AND HEALTH (1) COMMUNITY LIAISONS FOR HEALTH AND (2) OBESITY, DIABETES, HEART DISEASE AND STROKE PREVENTION

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR DISEASE CONTROL AND PREVENTION

Federal Authorization: Section 301(a) and 317(k) Public Health Service Act, 42 U.S. Code 241(a) and 247b (k) and Title IV Section 4002 Prevention and Public Health Fund. Public Health Service Act. Public Health Service Act, Title 42, Section 301(a) and 317.

State Authorization: N/A

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“N. C. DHHS Confirmation Reports:
SFY 2016 audit confirmation reports for payments made to Counties, Local Management Entities (LMEs), Managed Care Organizations (MCOs), Boards of Education, Councils of Government, District Health Departments and DHSR Grant Subrecipients will be available by mid-October at the following web address: http://www.ncdhhs.gov/control/auditconfirms.htm. At this site, click on the link entitled “Audit Confirmation Reports (State Fiscal Year 2015-2016).” Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from DHHS are found at the same website except select “Non-Governmental Audit Confirmation Reports (State Fiscal Years 2014-2016).”

The Auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the Auditor should be prepared to justify departures from the suggested procedures. The Auditor can consider the Supplement a “safe harbor” for identification of compliance requirements to be tested if the Auditor performs reasonable procedures to ensure that the requirements in the Supplement are current. The
grantor agency may elect to review audit working papers to determine that audit tests are adequate.

I. PROGRAM OBJECTIVES

CFDA 93.757, (050): The purpose of this program is to support statewide implementation of cross-cutting, evidence-based approaches to promote health and prevent and control chronic diseases and their risk factors. The focus of this effort involves primary prevention efforts aimed at diabetes and heart disease/stroke prevention efforts.

CFDA 93.945, (050): CDC-RFA-DP13-1305, State Public Health Actions to Prevent and Control Diabetes, Heart Disease, Obesity and Associated Risk Factors and Promote School Health, supports statewide implementation of cross-cutting approaches to promote health and prevent and control chronic diseases and their risk factors, which includes Diabetes; Heart Disease and Stroke Prevention; Nutrition, Physical Activity, and Obesity; and School Health. The NC Division of Public Health (DPH), Community and Clinical Connections for Prevention and Health (CCCPH) Branch received funding to address the following goals:

Short/Intermediate Term Goals:
1. Improve state, community, worksite, school, and early childhood environments to promote and reinforce healthful behaviors across the lifespan related to diabetes, cardiovascular health, physical activity, healthful foods and beverages, obesity, and breastfeeding. Implement environmental strategies to promote health and reinforce healthful behaviors;
2. Improve effective delivery and use of quality clinical and other preventive services aimed at preventing and managing diabetes and hypertension. Implement strategies to build support for lifestyle change;
3. Increase community-clinical linkages to support prevention, self-management, and control of diabetes, hypertension, and obesity. Implement health system interventions to improve the quality of health care delivery to populations with the highest hypertension and pre-diabetes disparities;
4. Implement community and clinical linkages that bridge community prevention efforts with health care systems.

Long Term Goals:
1. Improved prevention and control of hypertension
2. Improved prevention and control of diabetes
3. Improved prevention and control of overweight and obesity

II. PROGRAM PROCEDURES

The CCCPH Branch, through the annual Consolidated Agreement/Agreement Addenda between the local health agency and the DPH, funded activities #903 – Community Liaisons for Health and #471 - Obesity, Diabetes, Heart Disease and Stroke Prevention.

Activity #903 engaged 5 local health departments/districts to fund Community Liaisons for Health positions located in Local Education Agencies. Funded staff engage the local School Health Advisory Council and collaborate with partners to (1) create supportive nutrition
environments that promote healthy eating, and (2) support the implementation of physical activity and physical education.

Activity #471 will support 1 FTE Worksite Coordinator, 1 FTE Community Health Systems Coordinator and 1 half-time Fiscal Manager position. These positions will implement strategies and interventions for each aspect of the following two components.

1. Component 1: (a) environmental strategies to promote health and support and reinforce healthful behaviors; (b) strategies to build support for healthy lifestyles, particular for those at high risk, to support diabetes and heart disease and stroke prevention efforts.

2. Component 2: (a) health system interventions to improve the quality of health care deliver to populations with the highest hypertension and pre-diabetes disparities; (b) community clinical linkage strategies to support heart disease and stroke and diabetes prevention efforts.

**General Consolidated Agreement Guidance:**
The Consolidated Agreement (CA) provides general guidelines regarding approved policies and procedures related to the implementation of public health programs/projects and describe requirements of the funding relationship between the State and local public health agencies. These requirements are detailed under the following heading: Work to Be Performed; Funding Stipulations; Fiscal Control; Responsibilities of the State; and, Compliance. Budgetary Guidance is sent annually from each of the Divisions to all local health departments. The Budgetary Guidance document specifies the amount of funds allocated and their respective sources.

**Program Guidance:**
Agreement Addendum for activities #903, Community Liaisons for Health and #471, Obesity, Diabetes, Heart Disease and Stroke Prevention provide guidance to local health departments receiving these funds. Health departments also receive detailed guidance from the CCCPH Branch staff related to developing their annual budget, MOUS, and Implementation Plans.

**Monitoring:**
Monitoring is ongoing through monthly phone calls, emails, and site visits by the Project Managers/DPH Staff, for each activity, who will also provide technical assistance. Progress is tracked through monthly calls, review of progress and expenditure reports and through technical assistance provided by each project manager and DPH staff. The CCCPH Branch will monitor expenditures by budget category on a monthly basis through an expenditure report form completed by each local health department. The Office of Local Health Services is responsible for assessing fiscal risk status for local health departments.

**III. COMPLIANCE REQUIREMENTS**

**A. ACTIVITIES ALLOWED OR UNALLOWED**

In developing the audit procedures to test compliance with the requirements for a federal funded program, the auditor should look first at OMB Uniform Guidance, Part 2, Matrix of Compliance Requirements, to identify which of the 14 types of compliance requirements described in Part 3 are applicable and then look to Part 3 for the details of the requirements.
Funds may be used for:

1. Identified staff salary and fringe benefits,
2. Materials and supplies needed to implement the proposed interventions. Travel and staff development
3. Office rent and telephone,
4. Up to 10% of funds may be used for administrative overhead costs,

Funds may not be used for:

1. Supplanting funds supporting current positions and initiatives,
2. Food,
3. Construction,
4. Lobbying activities,
5. Cash incentives,
6. Gift cards,

The Local Health Department must submit all contracts or agreements (e.g., MOUs) associated with each activity to the DPH Fiscal Manager for approval prior to execution. A final copy, once executed, must be submitted to the DPH Fiscal Manager.

**Suggested Audit Procedure**

Review the executed CA and AA to determine approved budget items and review expenditure documentation to determine the appropriateness of specific activities paid by these funds.

**B. ALLOWABLE COSTS/COST PRINCIPLES**

All grantees that expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are required to comply with the cost principles described in the N. C. Administrative Code at 09 NCAC 03M .0201.

**Suggested Audit Procedure:**

Review selected expenditures for consistency with applicable cost principles.

**C. CASH MANAGEMENT**

Funds are granted on a reimbursement basis.

**D. Reserved**

N/A
E. ELIGIBILITY

Applicant agencies should state the objectives of the project, outline the method of operation, describe the evaluation procedures, and provide a budget with justification of funds.

Suggested Audit Procedure

Review the executed Contract/Consolidated Agreement and associated Agreement Addendum to determine if eligibility criteria met.

F. EQUIPMENT AND REAL PROPERTY MANAGEMENT

Purchase of equipment is not allowable unless identified in the budget and approved by CDC.

Suggested Audit Procedure

Review approved budget and any expenditure for equipment purchases.

G. MATCHING, LEVEL OF EFFORT, EARMARKING

N/A

H. PERIOD OF PERFORMANCE

Funds for these activities begin July 1, 2015 and run through May 31, 2016.

I. PROCUREMENT AND SUSPENSION AND DEBARMENT

All grantees that expend federal funds (received either directly from a federal agency or passed through the N. C. Department of Health and Human Services) are required to conform to federal agency codifications of the grants management common rule accessible on the Internet at https://www.whitehouse.gov/omb/grants_chart.

Suggested Audit Procedure

Select a sample of funded procurement, if any, for activities subject to federal agency codifications of the grants management common rule.

J. PROGRAM INCOME

N/A

K. RESERVED

N/A

L. REPORTING

Financial Reporting
Local Health Departments submit expenditures by budget category on a monthly basis through an expenditure reporting form.

Performance Reporting

Local health departments and LEAs (for activity #903) submit program reports as outlined in the Agreement Addenda for each activity.

M. SUBRECIPIENT MONITORING

On a quarterly basis, the DPH staff assesses programmatic risk through a review call. Progress is measured against an Action Plan/Report. The Office of Local Health Services is responsible for assessing fiscal risk status for local health departments. DPH will also monitor expenditures by budget category on a monthly basis through an expenditure report form completed by the state fiscal lead.

N. SPECIAL TESTS AND PROVISIONS

Consolidated Agreement System

The DHHS Division of Public Health is made up of six major sections: Chronic Disease & Injury, Environmental Health, Epidemiology, Women’s and Children’s Health, Oral Health, and Administrative, Local, and Community Support. The Division utilizes a single written agreement to manage all funds, that is, State, federal or private grant funds, that the Division allocates to local health departments across the State. This document, as amended, is called the Consolidated Agreement. The Agreement sets forth the more general requirements of the funding relationship between the state and local public health agencies. The respective requirements are detailed under the headings: Responsibilities of the Department (Local Public Health Unit); Funding Stipulations; Fiscal Control; Responsibilities of the State; and Compliance. More specific information related to program activity is set out in a document called the Agreement Addenda which detail outcome objectives (which may or may not be negotiable at the beginning of each fiscal year) that each health department must achieve in exchange for the funding. A third part of the system is the Budgetary Authorization which is sent annually from each of the Sections or Branches of the Division to all health departments being allocated funds from specific sources, i.e., State appropriations or other federal grant funds for specific activities. This Estimate indicates the amount of the allocated funds and their respective sources. Each health department should be able to provide an auditor with a copy of the Consolidated Agreement for the particular year being audited, as well as copies of the Budgetary Authorization and any revisions, Agreement Addenda, expenditure reports and any activity reports for each source of money received. If the health department cannot provide these documents, they may contact the State Division of Public Health Budget Office for assistance.

Conflict of Interest and Certification Regarding No Overdue Tax Debts

All non-State entities (except those entities subject to the audit and other reporting requirements of the Local Government Commission) that receive, use or expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are subject to the financial reporting requirements of G. S. 143C-6-23 for fiscal
years beginning on or after July 1, 2007. These requirements include the submission of a Notarized Conflict of Interest Policy (see G. S. 143C-6-23(b)) and a written statement (if applicable) that the entity does not have any overdue tax debts as defined by G. S. 105-243.1 at the federal, State or local level (see G. S. 143C-6-23(c)). All non-State entities that provide State funding to a non-State entity (except any non-State entity subject to the audit and other reporting requirements of the Local Government Commission) must hold the subgrantee accountable for the legal and appropriate expenditure of those State grant funds.

**Suggested Audit Procedures:**

The auditor should review Section B. FUNDING STIPULATIONS of the Consolidated Agreement before beginning an audit. The fourteen items of this Section describe much of the detailed information the auditor may be seeking during a review of these programs.