

Harris County Hospital
District and Affiliates, a
Component Unit of Harris
County, Texas

Reports on Federal and State Award Programs
for the Year Ended February 29, 2008

**HARRIS COUNTY HOSPITAL DISTRICT AND AFFILIATES,
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS**

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Managers
Harris County Hospital District and Affiliates
Houston, Texas

We have audited the combined financial statements of Harris County Hospital District and Affiliates (the "District"), as of and for the years ended February 29, 2008, and February 28, 2007, and have issued our report thereon dated July 31, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was, for the limited purpose, described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies described as items 2008-1 and 2008-2 in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was, for the limited purpose, described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters that we reported to management of the District in a separate letter dated July 31, 2008.

The District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the board of managers, management, federal awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Deloitte + Touche LLP

July 31, 2008

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Managers
Harris County Hospital District and Affiliates
Houston, Texas

Compliance

We have audited the compliance of Harris County Hospital District and Affiliates (the "District") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended February 29, 2008. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended February 29, 2008. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2008-3.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance, with the requirements that could have a direct and material effect on a major federal program, in order to determine our auditing procedures for the purpose of expressing our opinion on

compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in the District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program, such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control.

Our consideration of internal control over compliance was, for the limited purpose, described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response; accordingly, we express no opinion on it.

Schedule of Expenditures of Federal and State Awards

We have audited the combined financial statements of the District as of and for the years ended February 29, 2008, and February 28, 2007, and have issued our report thereon dated July 31, 2008. Our audit was conducted for the purpose of forming an opinion on the combined financial statements. The accompanying schedule of expenditures of federal and state awards for the year ended February 29, 2008 is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the combined financial statements taken as a whole.

This report is intended solely for the information and use of the board of managers, management, federal awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Deloitte + Touche LLP

July 31, 2008

**HARRIS COUNTY HOSPITAL DISTRICT AND AFFILIATES,
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED FEBRUARY 29, 2008**

Federal Grantor/Pass-Through Grantor/ State Grantor/Federal Program Title	Catalog of Federal Domestic Assistance Number	Grantor Number	Grant Period	Expenditures
Department of Homeland Security				
Passed through the Texas Department of State Health Services: Hazard Mitigation Project	83.548	404HMGP	N/A	\$ 71,982
Total Department of Homeland Security				71,982
Substance Abuse and Mental Health Services Administration				
Passed through the Texas Department of State Health Services Substance Abuse and Mental Health Services — Projects of Regional and National Significance (SBIRT)	93.243 93.243	11614 21059	10-01-06 - 09-30-07 10-01-07 - 09-30-08	758,910 538,207
Substance Abuse and Mental Health Services — Projects of Regional and National Significance (TYSP)	93.243	2007-021146	10-01-06 - 09-30-07	6,727
Total Substance Abuse and Mental Health Services Administration				1,303,844
Corporation for National and Community Service				
Passed through the OneStar National Service Commission, Inc.: Americorps	94.006	ACC6111811	10-01-06 - 01-04-08	<u>303,411</u>
Total Corporation for National and Community Service				303,411
Administration on Aging				
Passed through the City of Houston: National Family Caregiver Support	93.052 93.052	4600004345 4600007422	10-01-06 - 09-30-07 10-01-07 - 09-30-08	60,312 <u>32,125</u>
Total Administration on Aging				92,437
U.S. Department of Health and Human Services				
Grants to Provide Outpatient Early Intervention Services With Respect to HIV Disease	93.918 93.918	5-H76-HA00128-15 2-H76-HA00128-16	01-01-07 - 12-31-07 01-01-08 - 12-31-08	682,644 139,336
Specialty Access through Telemedicine	93.888	D1BTH05537	09-01-05 - 08-31-07	35,169
Consolidated health centers	93.224 93.224	5-H80-CS00038-06 5-H80-CS00038-07	11-01-06 - 10-31-07 11-01-07 - 10-31-08	1,890,917 834,720
Health care and other facilities	93.887	6-C76-HF06162-01	09-01-05 - 09-30-07	<u>80,300</u>
				<u>3,663,086</u>

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HARRIS COUNTY HOSPITAL DISTRICT AND AFFILIATES, A COMPONENT UNIT OF HARRIS COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED FEBRUARY 29, 2008

Federal Grantor/Pass-Through Grantor/ State Grantor/Federal Program Title	Catalog of Federal Domestic Assistance Number	Grantor Number	Grant Period	Expenditures
<i>Passed through Harris County Public Health and Environmental Services:</i>				
HIV Emergency Relief Project Grants (Fee-for-Service)	93.914	07GEN0130	03-01-06 - 02-28-07	\$4,877,238
HIV Emergency Relief Project Grants (Women's Program) (Fee-for-Service)	93.914	07GEN0129	03-01-06 - 02-28-07	670,122
HIV Emergency Relief Project Grants (Case Management Services) (Fee-for-Service)	93.914	07GEN0131	03-01-06 - 02-28-07	446,443
Special projects of national significance	93.928	06GEN1216 07GEN1383	09-01-06 - 08-31-07 09-01-07 - 08-31-08	142,322 <u>96,847</u>
				6,232,972
<i>Passed through Texas Department of State Health Services and the Regional Hospital Bio-Terrorism Task Force:</i>				
Public Health and Social Services Emergency Fund	93.003	N/A	N/A	105,789
<i>Passed through Houston Regional HIV/AIDS Resource Group:</i>				
Coordinated Services and Access to Research for Women, Infants, Children, and Youth (Women's Program)	93.153	06HCH00T4	08-01-06 - 07-31-07	123,615
	93.153	07HCH00T4	08-01-07 - 07-31-08	128,183
Coordinated Services and Access to Research for Women, Infants, Children, and Youth (Youth Program)	93.153	06HCH01TA	09-30-06 - 08-31-07	102,821
	93.153	07HCH00TA	09-01-07 - 08-31-08	<u>72,245</u>
				<u>426,864</u>
<i>Passed through Texas Department of State Health Services:</i>				
Cooperative Agreements for State-Based Comprehensive Programs	93.919	2006-020061	07-01-06 - 06-30-07	6,106
Breast and Cervical Cancer Early Detection Programs (Fee-for-Serv	93.919	2007-022806	07-01-07 - 06-30-08	48,138
Maternal and Child Health Services Block Grant to the States (MCH Block Grants) (Fee-for-Service)	93.994	2007-020442	09-01-06 - 08-31-07	219,224
	93.994	2008-024132	09-01-07 - 08-31-08	84,621
Demonstration to maintain independence and employment	93.769	2007-020942	09-01-06 - 08-31-07	626,224
	93.769	2008-023451	09-01-07 - 08-31-08	1,998,913
HIV Prevention Activities — Health Department Based	93.940	2007-021777	01-01-07 - 12-31-07	126,825
	93.940	2008-025652	01-01-08 - 12-31-08	<u>21,598</u>
				3,131,649

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**HARRIS COUNTY HOSPITAL DISTRICT AND AFFILIATES,
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED FEBRUARY 29, 2008**

Federal Grantor/Pass-Through Grantor/ State Grantor/Federal Program Title	Catalog of Federal Domestic Assistance Number	Grantor Number	Grant Period	Expenditures
<i>Passed through the City of Houston:</i>				
Maternal and Child Health Services Block Grant to the States (MCH Block Grants) (Fee-for-Service)	93.994	C60922/4600007249	03-01-06 - 02-28-11	\$ 55,348
<i>Passed through Dallas County Hospital District:</i>				
AIDS Education and Training Centers	93.145	N/A	07-01-06 - 06-30-07	57,736
	93.145	N/A	07-01-07 - 06-30-08	<u>23,333</u>
				81,069
Total U.S. Department of Health and Human Services				<u>13,696,777</u>
Total expenditures of federal awards				<u>15,468,451</u>
Texas Health and Human Services Commission				
Promotoro(a) Community Health Worker Pilot Program		529-7-21930	06-01-05 - 08-31-08	259,584
Total Texas Health and Human Services Commission				<u>259,584</u>
Texas Department of State Health Services				
Breast & Cervical Cancer Program — Case Management		2007-022806, 0018	07-01-07 - 06-30-08	2,300
Community/family resources		7415369366-2007	09-01-06 - 08-31-07	60,449
		2008-022842	09-01-07 - 08-31-08	59,291
Tuberculosis Elimination (Fee-for-Service)		7415369366A2007	09-01-06 - 08-31-07	27,860
		2008-023538	09-01-07 - 08-31-08	20,160
BTGH Epilepsy Program		2007-020397	09-01-06 - 08-31-07	29,327
		2008-023026	09-01-07 - 08-31-08	<u>38,436</u>
Total Texas department of state health services				<u>237,823</u>
Total expenditures of state awards				497,407
Total expenditures of federal and state awards				<u>\$ 15,965,858</u>
See notes to schedule of expenditures of federal and state awards.				(Concluded)

HARRIS COUNTY HOSPITAL DISTRICT AND AFFILIATES, A COMPONENT UNIT OF HARRIS COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED FEBRUARY 29, 2008

1. GENERAL

The schedule of expenditures of federal and state awards presents expenditures for all federal and state programs that were in effect during the year ended February 29, 2008.

2. BASIS OF ACCOUNTING

Expenditures are reported on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Texas Single Audit Circular. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

3. FEE-FOR-SERVICE PROGRAMS

Certain grants are noted as fee-for-service programs on the schedule of expenditures of federal and state awards. The expenditures shown for these grants actually represent amounts paid for particular services performed by the Harris County Hospital District and Affiliates (the "District") during fiscal year 2008.

4. SUBRECIPIENTS

Of the federal award expenditures presented in the schedule, the District provided federal awards to subrecipients as follows:

Program Title	Catalog of Federal Domestic Assistance Number	Amount Provided to Subrecipient 2008
National Family Caregiver Support	93.052	\$ 32,695
Maternal & Child Health Federal Consolidated Programs	93.110	5,000
Coordinated Services and Access To Research For Women, Infants, Children, and Youth (Youth Program)	93.153	17,420
Consolidated Health Centers	93.224	504,928
Special Projects of National Significance	93.928	38,735
HIV Prevention Activities-Health Department Based	93.940	41,338
Demonstration to Maintain Independence & Employment	93.769	112,020
Substance Abuse & Mental Health Services-Projects of Regional and National Significance (SBIRT)	93.243	130,806
Substance Abuse & Mental Health Services-Projects of Regional and National Significance (TYSP)	93.243	25,640
Specialty Access through Telemedicine	93.888	18,000
HIV Emergency Relief Project Grants (Fee for Service)	93.914	1,191,088
HIV Emergency Relief Project Grants (Women's Program Fee for Service)	93.914	68,571
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	118,390
Maternal and Child Health Services Block Grant to the States (MCH Block Grants) (Fee for Service)	93.994	<u>60,880</u>
Total		<u>\$ 2,365,511</u>

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**HARRIS COUNTY HOSPITAL DISTRICT AND AFFILIATES,
A COMPONENT UNIT OF HARRIS COUNTY, TEXAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED FEBRUARY 29, 2008**

PART I — SUMMARY OF AUDITOR'S RESULTS

Financial Statement Section:

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified, but not considered to be material weakness(es)?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards Section:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified, but not considered to be material weakness(es)	N/A
Type of auditor's report on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (Section .510(a))?	Yes

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
93.243	Substance Abuse and Mental Health Services – Projects of Regional and National Significance
93.769	Demonstration to Maintain Independence and Employment

Dollar threshold used to determine Type A programs: \$464,053

Auditee qualified as low-risk auditee? Yes

Part II — Financial Statement Findings Section

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in an OMB Circular A-133 audit.

	Findings	Questioned Cost
	Finding 2008-1	
	Community Health Choice, Inc. Premium Revenue	
Grant Information	N/A. This finding relates to the District's Health Maintenance Organization's financial statement reporting and not reporting for a federal or state grant.	
Condition	During our premium revenue testing, Deloitte & Touche LLP (D&T) noted that Community Health Choice, Inc. (CHC) had not accrued for retroactive premium activity as of February 29, 2008.	N/A
Criteria	Reporting.	
Cause	Throughout the year, CHC is notified by the Texas Health & Human Services Commission (HHSC) of any new, removed or revised members and the date of eligibility for coverage. The date of notification may be subsequent to the date of eligibility.	
Effect	As CHC's statutory-basis of reporting uses the accrual method, CHC should prepare an accrual for all estimated amounts that are material and adjust the financial statements for any material differences between management's original estimate and actual results through the date of financial statements issuance.	
Recommendation	In order to make a proper accrual for financial reporting purposes, CHC management should evaluate retroactive activity for premiums received from HHSC in the period following year-end through the issuance of the audit report. CHC should use their historical experience along with knowledge of subsequent events, such as collections from February 29 to the date of filing related to the fiscal year being audited, to develop the initial estimate for retroactive premiums that will be included in the annual statement filed with state regulatory authorities. Subsequent to filing of the annual statement, CHC should continue to compare the estimated retroactive premiums to the actual amount of premiums received subsequent to February 29 related to the fiscal year being audited and adjust the initial estimate based on these subsequent events to reflect the best possible estimate at the date of issuance of the audited financial statements.	
Corrective Action Plan of Management	CHC's Controller performed an analysis of retroactive premiums received relating to fiscal year ended February 29, 2008 through June 30, 2008, and recorded an adjustment to accrue for retroactive premium revenue for \$5.2 million as of February 29, 2008.	

(Continued)

	Findings	Questioned Cost
	Finding 2008-2 Community Health Choice, Inc. Claims Incurred But Not Reported (IBNR) Reserve	
Grant Information	N/A. This finding relates to the District's Health Maintenance Organization's financial statement reporting and not reporting for a federal or state grant.	
Condition	D&T deemed that CHC was over reserved by \$2 million as of February 29, 2008.	N/A
Criteria	Reporting.	
Cause	During our testing of the claims incurred but not reported (IBNR) reserve as of February 29, 2008, D&T found that CHC was not reviewing and adjusting, when appropriate, the outstanding unpaid reserve. D&T quantified the reserve recorded as of February 29, 2008, using claims paid run out data as of June 30, 2008, and other items noted by CHC management.	
Effect	As CHC's statutory-basis of reporting uses the accrual method, CHC should prepare an accrual for all estimated amounts that are material and adjust the financial statements for any material differences between management's original estimate and actual results through the date of financial statement issuance.	
Recommendation	CHC management should review the outstanding reserve balance to test the validity of those amounts. A review of claims paid run out data each month would quantify the unpaid reserve and therefore, CHC can adjust the balance to reflect a more accurate estimate. In addition, CHC should consider the impact on their reserve of any large, nonrecurring events, such as lawsuits, catastrophic events, changes in payout patterns, and any other events that could impact the reserve and are not taken into account in developing the estimate.	
Corrective Action Plan of Management	<p>CHC's Vice President of Finance performed an analysis of claims IBNR reserve as of February 29, 2008, using the subsequent run out of claims through June 30, 2008, and adjusted the run out for specific events related to lawsuits, timing of additional payments, and other events that were known to management at June 30, 2008, to adjust the initial estimate that was recorded in the annual statement filed with state regulatory authorities by (\$2.1) million.</p> <p>CHC's Vice President of Finance will continue to perform a run out analysis of claims paid subsequent to year-end through May 31 to review the recorded IBNR reserve for appropriateness.</p>	

(Concluded)

Part III — Federal Award Findings and Questioned Costs Section

This section identifies the audit findings required to be reported by OMB Circular A-133 Section .510(a) (e.g., significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program.

	Findings	Questioned Cost
	Finding 2008-3 Screening, Brief Intervention, Referral, and Treatment (SBIRT)	
Grant Information	CFDA #: 93.243. This Federal grant originates with the Substance Abuse and Mental Health Services Administration and is passed through to HCHD by the Texas Department of State Health Services – Substance Abuse and Mental Health Services; Projects of Regional and National Significance.	
Condition	It was noted that HCHD was below the GPRA's level of effort requirement in one of the quarterly reports obtained.	N/A
Criteria	Reporting.	
Cause	The contract between HCHD and DSHS was reviewed, noting that the grant contained a level of effort requirement related to the number of patients served each quarter. This requirement is established by DSHS and the federal grantor under the Government Performance and Responsibility Act (GPRA).	
Effect	It was noted that HCHD was below the GPRA's level of effort requirement in one of the quarterly reports obtained.	
Recommendation	Management should establish checks and balances to ensure that the level of effort requirements are met.	
Corrective Action Plan of Management	Management noted that the variance on the quarterly report is due to the implementation of a new Patient Management/Clinical Care system. At the time of the submission of the quarterly report, productivity was at the required level; however, a problem existed in obtaining the data from the new system for one of the performance sites. After the report was submitted, the Program Director, the Data Analyst Supervisor, and the Information Systems department developed a summary report to reflect all productivity in the program from the new systems. Management provided the corrected file to the auditors on June 9, 2008. The quarterly report to be submitted in July 2008 will reflect that HCHD exceeded the level of productivity required. The Program Director will continue to submit the quarterly reports and assure that these reports contain all productivity data necessary.	

Part IV — Follow up on Prior Year Federal Award Findings and Questioned Costs Section

This section documents follow up on prior-year audit findings.

No findings were identified in the prior year that required follow up.