



INTER-OFFICE MEMORANDUM

TO: Anthony Nicks, Director of Internal Audit
FROM: Herman Hicks, Assistant Audit Manager
DATE: November 6, 2012
SUBJECT: Cursory Review of the Ryan White Grant – 2012-2013

Introduction

At the request of the County Manager, the Office of Internal Audit performed a cursory review of the financial reporting of the Ryan White Grant, award number H89HA00007, for the interim period from March 1, 2012 through October 31, 2012.

Background

The Fulton County – Ryan White Program FY2012-2013 was awarded \$20,983,920 of HIV Emergency Relief Grant Program Part A funds for a 20 county metropolitan area. The funding is to be used to support the continuum of care of core services which include:

- 1) Outpatient primary care
- 2) FDA-approved medications through the local AIDS Pharmaceuticals Assistance program
- 3) Preventative and restorative oral health services
- 4) Medical case management services
- 5) Individual and group mental health services and
- 6) Substance abuse treatment and counseling.

Objective

The objective of the review was to determine whether a significant commitment or disbursement of funds have occurred within the time frame of the budget and whether the drawdown of funds reflect the expenditures incurred to date.

Results of Review

The major categories of expenditures have been reported in the Appropriations and Expenditures, Budget and Obligations Report under the following unit codes:

- H211 Administrative (Formula Based)
- H214 Plan Council

- H215 Quality Management
- H216 Ryan White Supplemental

The total drawdown for expenditures reported is \$6,988,100, as shown on the attached Schedule of Drawdowns and Expenditures Recorded. Just recently, the September expenditures were drawn down and the October expenditures are scheduled for drawdown on November 15, 2012.

Total unexpended Ryan White funds are \$13,995,845, of which \$6,960,431 are formula based funds which must be spent on core medical services before the Competitive Supplemental funds are spent. The remaining funds which have not been spent are:

- Competitive Supplemental - \$5,382,762
- Minority AIDS Initiative - \$1,309,073
- Planning Council Funds - \$270,605
- Quality Management - \$72,974

Per the Grant Administrator, the first and signature pages of contracts, which support the POs and encumbrances for the Competitive Supplemental expenditures, are copied and maintained in sub grantee files. We discussed the status of the unexpended funds with the Grant Administrator and the Director of the Ryan White Program. The Director stated that most of the remaining funds will be spent in January and February of 2013 and if all of the funds are encumbered by the ending date of the grant, the funds may be expended during the 90 day closing period which follows. There were no other issues or concerns discussed.

RYAN WHITE PROGRAM
Grant Period: 3/01/2012 to 2/28/2013
Grant Award: \$20,983,920.00

	Outstanding Encumbrances	YTD Expenses	YTD Total Obligations
2010			
Unit H011 Administrative	0.00	(106.72)	(106.72)
2011			
Unit H111 Administrative	(4,529,204.01)	4,674,981.07	145,777.06
Unit H112 Plan Council	(39,611.98)	165,151.21	125,539.23
Unit H114 Quality Mgt	(38,742.59)	38,742.59	0.00
Unit H115 MAI	(1,932,101.00)	1,932,101.00	0.00
Unit H116 RW Supplemental	(3,466,382.00)	5,232,410.39	1,766,028.39
Unit H117 Carryover PY	0.00	49,351.00	49,351.00
2012			
Unit H211 Administrative	6,634,866.76	6,169,492.88	12,804,359.64
Unit H212 Plan Council	93,230.64	126,394.62	219,625.26
Unit H214 Quality Mgt	72,973.53	37,676.47	110,650.00
Unit H215 MAI	1,309,073.00	654,536.00	1,963,609.00
Unit H216 RW Supplemental	5,082,762.00	0.00	5,082,762.00
Total	<u>3,186,864.35</u>	<u>19,080,730.51</u>	<u>22,267,594.86</u>
Totals for 2012:	<u>13,192,905.93</u>	<u>6,988,099.97</u>	<u>20,181,005.90</u>

Concerns: (1) For 2012 the administrative expenses and encumbrances exceed 10% of the grant award budgeted. Requires investigation.

(2) There have been no payments made for supplemental support. The National Monitoring Standards require that the grantor organization, Fulton County, monitor sub-grantees for compliance. \$5,082,762 of eligible services must be delivered by 2/28/2013.