

A Report to the  
Chambers  
County  
Commissioners  
Court

County Judge:

Jimmy Sylvia

Commissioners:

Jimmy Gore

Larry George

Gary Nelson

Rusty Senac



# Indigent Health Care

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## BVCAP Grant 2017

Brooke Jacobson

October 30, 2018

Chambers County  
Auditor  
Tony Sims  
P.O. Box 910  
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# CHAMBERS COUNTY AUDITOR

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## Executive Summary

The Chambers County Auditor's office has completed an audit of the Brazos Valley Community Action Programs (BVCAP) Grant. The audit was conducted for the contract periods of January 1, 2017 through December 31, 2017.

The overall objective of this audit was:

To assess and evaluate Indigent Health Care's procedures for administering the BVCAP grant and implementation of all grant requirements.

Specific audit objectives were to:

1. Assess and evaluate the procedures in administering grant funds.
2. Determine if grant requirements are being met according to what is set out in the contract.
3. Identify any discrepancies in how the funds are distributed.
4. Determine if grantee activity is monitored periodically throughout the grant program duration.

The Indigent Health Care department staff is responsible for maintaining grant records as well as tracking and reporting grant expenditure information to the Brazos Valley Community Action Program.

## Background

The Brazos Valley Community Action Programs Grant allows local Chambers County residents the opportunity to receive assistance for immediate financial burdens they may be facing. It is the desire of the Chambers County Commissioner's Court to provide, on an emergency basis, for the provision of such supplies and services having a measurable and potentially major impact on poverty in the community or those areas of the community where poverty is a particularly acute problem.

The grant funds are used for utilities, travel, food, housing, prescriptions and certain medical assistance with permission given by the BVCAP.

The amount awarded to each client seeking assistance depends on what type of aid is needed. However, eligible recipients are only those whose income is equal to or less than 125% of Federal Poverty Income Guidelines. These amounts vary depending on the number of residents in the household.

In 2017 Chambers County was originally awarded \$25,000.00 in grant funds which was to be spent by December 31, 2017. After experiencing devastating loss due to Hurricane Harvey, Chambers County's original grant was later twice amended and an additional \$100,000.00 was given to the County in two \$50,000.00 increments (Amendment 1 and Amendment 2) to assist in disaster relief efforts. Each \$50,000.00 Amendment was granted to the County and later given out in the form of Walmart gift cards. The amendment amounts were to be expended by November 30, 2017.

Every recipient who is given funds is to provide documentation proving they are a Chambers County resident (i.e., a bill with their name on it with a Chambers County address), a form of identification, and proof of income, if they have any. However, if the applicant does not have an income, or proof of residency they are to fill out a Declaration of Income (DOI) or Declaration of Residency (DOR) and each form must be notarized. All of this documentation can be found in the client's file.

The amount awarded to each client is at the sole discretion of the Indigent Health Care staff and is dependent on how desperate the family or individual's needs are. A spending matrix was provided for Amendment 1 and 2, outlining how much should be given in gift cards for those needs.

Once all fund monies are exhausted, the original grant and its amendments are complete.

"Grantee" is used in reference to the Indigent Health Care Department.

### **Audit Scope and Procedures**

The audit performed was designed to evaluate and test compliance with requirements set out in the contract and its amendments.

The following procedures were used to complete our examination:

- Determined whether awarded grants followed BVCAP's grant application process with respect to approval of the grant and adherence to BVCAP's requirements.
  - All contracts were signed by BVCAP and the grantee
  - Grantee was compliant with reporting requirements
- Reviewed each client file for the 2017 contract period
  - All proper documentation was filed in each client file

- Determine the effectiveness of overall grantee monitoring with respect to identification of potential fraudulent or inappropriate use of grant funds
  - All costs incurred are allowable under BVCAP's grant contract
  - Budget transfers were correctly filed and approved
  - Good faith efforts were used when awarding monies to each client
- Reviewed claims for completeness and accuracy of reimbursements
  - Expenses were within contract amounts
  - Proper approval signature on vouchers
  - Tyler Detail Reports reconciled to supporting documentation provided by grantee
  - Verified gift card amounts totaled contract amendment agreement.

### **Observations and Findings with Related Recommendations**

During the audit, the following observations were noted:

1. The contract states that Monthly Performance Reports are to be filed "no later than the tenth (10<sup>th</sup>) day of the month after the end of each month of the contract period." The contract also states that a Financial Status Report and Final Performance Report be filed "no later than thirty (30) days after the termination of the contract".
  - a. Findings:
    - i. The 2017 Monthly Financial Reports were filed timely for the life of the grant with a corresponding Demographics Tally Sheet attached. The Final Performance Report was also filed within the required time limit at the conclusion of the contract.
  - b. Recommendations: We recommend that the Monthly Performance Reports that were created include more detail to show how much of the funds were spent on each category of approved expenditures (i.e., utilities, food, prescriptions, etc.).
2. Inconsistency and missing appropriate documentation in each client file. Each client file should have a photocopy of the clients ID (or approved form of identification), proof of residency (a bill with their address and name on it), and source of income. If there is no source of income or proof of residency, a Declaration of Income form or Declaration of Residency form would need to be completed and notarized. Any proof of income should be current. Each client file should also state how many individuals are in the household.
  - a. Findings:
    - i. On both the original contract and the amendments, there are multiple client files whose proof of income is not current, and few others that are missing proof of income entirely.

- ii. When auditing the original contract, we noted several Declarations of Income that were not notarized along with a number of contracts without a written reason on their DOI explaining why there was no available income for that household. Simply writing “No Income” is not sufficient.
  - iii. When reviewing the two contract amendments, the vast majority of Declaration of Income or Proof of Residency forms were not notarized. The grantee stated this was acceptable due to the circumstances surrounding the award of the amendment grants.
  - iv. Throughout the entirety of the contract period, there were a number of applicants who failed to provide proper identification for a member or members of their household.
- b. Recommendations:
- i. Income: According to the contract between BVCAP and the grantee, “Household income must be collected from the 30 day period prior to the date of the application for assistance.” The grantee should ensure that all proof of income, no matter the form, be current and included in the client’s file. The Declaration of Income “must be notarized” per the Chambers County BVCA Income Verification Policy. To be in compliance with policy, the grantee should verify that the DOI form is notarized and done so in a timely manner. This form should also list specific details explaining why the applicant has no proof of income available.
  - ii. Household Size: The amount awarded to clients varies based on the number of individuals living in the home; the more members, the greater the amount awarded. The client should provide evidence of all members living in that household. If they cannot do so, they should only be awarded for those they are able to provide identification for.

3. Practicing good faith when determining how much to award each client.

a. Findings:

- i. There is no schedule or chart used when determining how much to award each client for food based on their household size. It is at the sole discretion of the grantee on how much to give. For this particular grant, the grantee awarded the initial applicant \$100 for food. For each person added to the household number after the original applicant, \$20 would be added to the total amount awarded. The amount awarded for food assistance remained consistent based on how many household members the applicant stated.

- ii. The amount paid out for utility bills remained consistent throughout the entirety of the grant program. The past due amount was paid for each applicant's bill.
    - iii. There were 3 clients on the original contract who were served grant funds, but whose gross annual income puts them over the threshold to qualify for assistance.
  - b. Recommendations:
    - i. Grantee should verify they are using correct calculations when tabulating a client's gross annual income. This will ensure that only those who are eligible will receive assistance.
- 4. The grant has never been audited outside of the County Auditor's Office. In compliance to the contract, the grantee should "provide BVCAP with a copy of a completed audit."
  - a. Findings:
    - i. This grant has never been audited for compliance or financial purposes prior to the 2014 contract, and only started being internally audited by the Chambers County Auditor Office in 2015.
  - b. Recommendations:
    - i. An independent audit be performed each year for compliance and financial purposes and a completed audit be sent to the BVCAP for their review. Requiring that each contract be audited confirms that the grantee is following the requirements set out in the contract, and also informs the County that all requirements have been met and satisfied.
- 5. Reconcile the claim expenditures for each contract year to the Detail Report. There was a review of each client file to verify the amounts were correct on the claim and Detail Report.
  - a. Findings:
    - i. When reconciling the expenditures at the beginning of the audit, a journal entry was requested in December 2017 and again in March 2018. The first journal entry removed 10 applicant utility payments from the grant. The journal entry was requested because the amounts granted to these applicants put total grant funds over the allotted amount given to the grantee by BVCAP. The second journal entry was to include 2 utility payments back into the grant account so that total grant expenditures would equal the \$25,000.00 given by BVCAP.

b. Recommendations:

- i. The grantee should keep an updated running total based on the awarded amounts submitted monthly in their reports to BVCAP by utilizing the grant tracking features within Incode. This will help track remaining balances to ensure expenses do not exceed the fund total granted by BVCAP.

6. Other Recommendations:

- i. Reviewing the claims, the vast majority of applicants were from Anahuac and were reoccurring clients. The BVCAP grant is meant to service all areas of Chambers County and we feel as though it has yet to be utilized to its full potential. We recommend advertising of some sort, informing other residents outside of Anahuac of this assistance.

### **Overall Conclusion**

Based on our findings, our overall conclusion is the department staff has effectively improved their efforts to collect proper documentation for each client file and improved their report filings. They have also preserved all client files for the contract periods, given us all requested information if possible, and cooperated during the audit with ease. By efficiently utilizing grant amendment funds, the department was able to service more county residents than usual and effectively managed record keeping and reporting during the process. We are reasonably assured they have done an adequate job of managing and implementing the BVCAP Grant.



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Indigent Health Care  
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October 30, 2018

Re: Response to 2017 BVCAP Grant Audit

In response to the observations and findings listed in the 2017 BVCAP Grant Audit.

1. Reporting:

It was recommended that our monthly financial reports be more detailed, but the monthly reports that we have presented are exactly what the BVCAP grant ask from us.

2. Documentation:

It is NOT required for the Declaration of Income to be notarized for the program. (See attached email) Also, the only income for each case that may not be dated from the past 30 days would be someone that is on Social Security or SSI because the awarded amounts do not change during the year. They only receive an awards letter once a year, therefore that would be acceptable in this case.

It is not a requirement of the program to have the Declaration of Residency notarized.

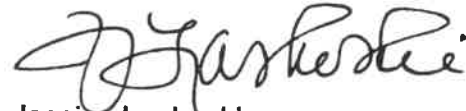
After the hurricane, Chambers County received additional funding to help with disaster relief. Because of the flooding and the nature of the storm, clients were not able to provide all the necessary documentation, therefore the guidelines were not as strict. (see attached email)

3. Award Procedures:

- ii. The Indigent Health Care Office administers different grants at different poverty levels. The three clients listed were paid out of the wrong program, therefore we listed them in there and journal entried them out.

4. **Auditing:**  
We are required to submit each client file and all documentation to BVCAP for auditing purposes with our monthly reports.
  
5. **Detail Report:**  
The Indigent Health Care Office does keep a running total on the amount spent from each grant administered. Sometimes applicants are moved from one program to another to help finish out funds.
  
6. **Other Recommendations:**  
All services provided are on a first come first serve basis. Our office has began taking appointments for services provided and hopes that this will help serve all areas of the county.

Respectfully,



Jessica Laskoskie  
Indigent Health Care Director

**Jessica Laskoskie**

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**From:** Bryan Jones <bdjones@capbv.org>  
**Sent:** Wednesday, April 19, 2017 1:49 PM  
**To:** Jessica Laskoskie; Cynthia Solis  
**Subject:** Re: BVCAP

On 2017 CSBG applications does not require a notary. Cynthia will send you a new form, if she hasn't already. OK?

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**From:** Jessica Laskoskie <jlaskoskie@co.chambers.tx.us>  
**Sent:** Wednesday, April 19, 2017 11:01:21 AM  
**To:** Bryan Jones  
**Subject:** BVCAP

When we use the Declaration of Income form, it is required that it be notarized. Would it be okay if we typed something at the bottom for the notary?

Jessica Laskoskie  
Chambers County  
409-267-8306

**Jessica Laskoskie**

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**From:** Bryan Jones <bdjones@capbv.org>  
**Sent:** Wednesday, October 31, 2018 11:23 AM  
**To:** Cynthia Solis; Jessica Laskoskie  
**Subject:** Re: 2017 CSBG funds

Yes you are.! Basically income eligible and in the Hurricane affected path/county.

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**From:** Cynthia Solis  
**Sent:** Wednesday, October 31, 2018 9:20 AM  
**To:** Bryan Jones  
**Subject:** Fw: 2017 CSBG funds

Do you remember telling Jessica this? See below.

**Cynthia Solis**  
*CSBG Coordinator/Administrative Assistant  
Brazos Valley Community Action Programs  
1733 Briarcrest Dr., Suite 111  
Bryan, Texas 77802  
Telephone: (979)213-4051  
Fax: (979)774-0014*

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**From:** Jessica Laskoskie <jlaskoskie@chamberstx.gov>  
**Sent:** Wednesday, October 31, 2018 9:04 AM  
**To:** Cynthia Solis  
**Subject:** 2017 CSBG funds

My county has been auditing my 2017 CSBG grant. After the Hurricane, we received additional money to help with the disaster. Because of the flooding, we had some clients not have all the documentation necessary for the case. I recall us having a conversation about not being as strict because of the flooding. Am I remembering this correctly?

Thank you,

Jessica Laskoskie