

93.283

**CENTERS FOR DISEASE CONTROL AND PREVENTION –
INVESTIGATIONS AND TECHNICAL ASSISTANCE /
PUBLIC HEALTH EMERGENCY PREPAREDNESS AND
RESPONSE FOR BIOTERRORISM**

State Project/Program: NC PUBLIC HEALTH PREPAREDNESS AND RESPONSE

U. S. Department of Health and Human Services

Federal Authorization: CFDA 93.283 as authorized under section 301 (a) and 317 of the Public Health Services (PHS) Act, [42 U.S.C. 241 (a) and 247 (b)]

State Authorization: North Carolina Administrative Code Title 10 NCAC 41

**N. C. Department of Health and Human Services
Division of Public Health**

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N. C. DHHS Confirmation Reports:

SFY 2009 audit confirmation reports for payments made to Counties, Area Programs, Boards of Education, Councils of Government, District Health Departments, DCD State Level Contractors and HRSA Bioterrorism Grant Subrecipients will be available by around late August to early September at the following web address: <http://www.dhhs.state.nc.us/control/> At this site, page down to “Letters/reports/forms for ALL Agencies” and click on “Audit Confirmation Reports (State Fiscal Year 2008-2009)”. Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from the DHHS are found at the same website except select “Non-Governmental Audit Confirmation Reports (State Fiscal Years 2007-2009)”.

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

The mission of North Carolina’s Public Health Preparedness and Response Program is to coordinate a Public Health response system of local, regional and state assets to all hazards and their public health effects. This is done by responding to natural, biological, chemical and radiological and terrorism incidents using active and passive surveillance, outbreak and individual case investigation, laboratory diagnosis, risk assessment, and initiation of control measures, including prophylaxis, treatment, quarantine, and environmental and personal decontamination, and by communicating risk information to state and local government officials, the media and the public. There are seven Regional Teams, each of which is located within a Local Health Department. One or more Regional Teams will be deputized based on regional and statewide

need to support area and/or State Public Health Preparedness and Response activity. In this capacity, the Regional Team will be directly dispatched by the State Level Public Health Preparedness and Response Coordinator, State Health Director, or the Governor, depending on the state of emergency that exists.

The goals of this program are to:

- enhance regional and local preparedness capacity by developing and maintaining a network of State, regional and local agencies in support of Public Health Preparedness and Response;
- conduct bioterrorism and infectious disease surveillance, outbreak and investigation training by local public health agencies, hospitals, and their public planning and response partners;
- establish and maintain enhanced infrastructure for laboratory capacity at the regional level in support of the State Public Health Preparedness and Response testing and surveillance system under the direction of the North Carolina State Laboratory of Public Health;
- raise public awareness regarding bioterrorism and infectious disease outbreaks at the local level; and
- establish and maintain a trained workforce and the necessary technology to sustain preparedness activities statewide.

II. PROGRAM PROCEDURES

Federal grant funds are awarded to the State by the U. S. Department of Health and Human Services through a non-competitive cooperative agreement (U90/CCU416979-06) with Centers for Disease Control and Prevention (CDC). Federal funds for the PHRSTs are allocated to the seven local health departments based on a formula for population and size of region. The three counties receiving public health laboratory improvement/renovations each receive one-third of the total funds available for laboratory improvement/renovations. Each of the 100 counties in North Carolina is allocated funding for Public Health Emergency Preparedness and Response training, equipment and public health information dissemination based on a formula of base plus adjustment for land mass and population. The NC DHHS Division of Public Health, Epidemiology Section, administers the Public Health Emergency Preparedness and Response Program, the offices of which are located in the Cooper Building in Raleigh, NC, telephone (919) 715-0919.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for a federal program, the auditor should look first at OMB Circular A-133, 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 Parts 3 and 4 for the details of the requirements. The contractual relationship between the State and local health departments is more fully explained below (Section N).

The Commission for Health Services has the authority to adopt rules consistent with state statutes. Division of Epidemiology rules for funding special programs and projects are codified in 10 NCAC 41 and are available from the Division of Epidemiology. Funds are made available to contractors by written service contracts. The contract between the parties should be reviewed prior to beginning the audit. The federal regulations are found in PHS Grants Policy Statement,

DHHS (OASH) Publication No. 94-50000, (Rev.) April 1, 1994. Program guidelines and instructions are included in the application kit, which is available from the Grants Management Office.

The Public Health Preparedness and Response Program provides:

- funding for seven health departments to support PHRST staff and their operating costs in the Local Health Departments (LHD). Each Regional Team consists of at a minimum a clinical epidemiologist practitioner (MD or RN), an Environmental Health Epidemiologist or Industrial Hygienist, and an Administrative Assistant (one of these shall serve as Team Leader). There are also three (3) Regional Pharmacists;
- funding for public health laboratory improvement/renovations in 3 health departments. These labs, in Buncombe, Mecklenburg and Pitt counties, will serve as regional reference labs to provide back-up to the State Laboratory of Public Health in Raleigh;
- funding for each of North Carolina's one hundred (100) counties, as disbursed through the cognizant Local Health Department, to cover Public Health Emergency Preparedness and Response training, equipment and public health information dissemination expenses;
- funding to establish and maintain the State Office of Public Health Preparedness and Response which coordinates local, regional and state preparedness activities by providing technical assistance, program oversight, templates and guidelines for response agencies. The North Carolina Public Health Preparedness and Response Plan provides a detailed description of the activities, roles, and responsibilities of state level agencies providing medical, nursing, and health education consultation, evaluation, and quality assurance;
- funding to adopt, support and implement National Incident Management Systems (NIMS) public health emergency response functions in accordance with Homeland Security Presidential Directive-5 (HSPD-5);
- enhanced epidemiological surveillance;
- measures to interrupt and prevent transmission of biological agents, including provision and monitoring of preventive treatment and securing vaccines or medications from the Strategic National Stockpile, Chempack and the Cities Readiness Initiative;
- for communication with emergency departments and other appropriate health care providers in their jurisdiction by coordinating, educating, and promoting Public Health Emergency Preparedness and Response awareness among, and in;
- coordination with other health and public safety resources in their jurisdiction and, the chief communications outlet during a bioterrorism event or infectious disease outbreak;
- coordination for pandemic influenza preparedness including surveillance, laboratory testing, planning, distribution and dispensing medical countermeasures, mass fatality management, and medical surge; and
- coordinate with the Carolinas Poison Center to maintain and enhance Real-Time Disease Detection through sustaining funding and program enhancements to provide surveillance information to PHP&R and the Communicable Disease Staff.

A. ACTIVITIES ALLOWED OR UNALLOWED

- (1) The seven local health departments may utilize Public Health Emergency Preparedness and Response funds for: salaries and benefits of the permanently assigned PHRST staff in each of the seven local health departments, office supplies used for Public Health Emergency Preparedness and Response activities; medical/laboratory supplies for the three health departments with bioterrorism laboratories; renovations and lab equipment for the three local health departments with Regional Laboratories, based on specific written approval of State Public Health Preparedness and Response Program staff; information technology equipment with specific written approval of State Bioterrorism Information Technology staff; telecommunications services for telephones and internet connectivity/communication; vehicle leasing based on specific written approval of State Public Health Preparedness and Response Program staff; and office furniture.
- (2) The seven local health departments may not use Public Health Emergency Preparedness and Response Program funds for: construction, antiviral medication purchase, the purchase of vehicles or permanent improvement of any building or other facility not specifically approved in writing by the State Public Health Preparedness and Response Program staff; and/or information technology equipment without prior approval in writing by the State Bioterrorism Information Technology staff.
- (3) Each of North Carolina's one hundred (100) counties may utilize Public Health Emergency Preparedness and Response funds, as disbursed through the cognizant Local Health Department, to cover Public Health Emergency Preparedness and Response training, equipment and public health information dissemination expenses for: tuition, registration fees, purchase of education courses or materials, travel and per diem, snack and meals during training; production and advertising Public Health Emergency Preparedness and Response information, including radio and media materials; rental of facilities, audio/video equipment, and vehicles and teleconference fees, and purchase/production of training publications, mail supplies and postage. Types and combinations of materials used are discretionary. However, the Public Health Preparedness and Response Communications Coordinator must approve message content in advance, unless the materials originated from CDC, HRSA or other State of federal sources. PHP&R must also approve any expenditure for a single item above \$2,500.

B. ALLOWABLE COSTS/COST PRINCIPLES

Federal grant funds for North Carolina Public Health Emergency Preparedness and Response for Bioterrorism programs and activities are awarded to the State by the U. S. Department of Health and Human Services through a non-competitive cooperative agreement (U90/CCU416979-06) with Centers for Disease Control and Prevention (CDC). And as such, the NC DHHS, Division of Public Health, Epidemiology Section, Public Health Preparedness and Response Program fully adheres to the principles, standards and policies set forth in Office of Management and Budget (OMB) Circular No. A-87.

E. ELIGIBILITY

Each of the seven local health departments has been selected for its current public health infrastructure and its location inside the North Carolina region each will serve. However, the

health department may bill any third party for services rendered in the event of a bioterrorism event. All one hundred (100) North Carolina counties are eligible for training and public health information dissemination funding.

F. EQUIPMENT AND REAL PROPERTY MANAGEMENT

All equipment purchased with Public Health Preparedness and Response funds must be properly maintained and inventoried. Local Health Department records must indicate that this equipment was purchased with these federal funds. Use of this equipment shall be to support Public Health Emergency Preparedness and Response efforts.

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 with federal agency codifications of the grants management common rule accessible on the Internet at <http://www.whitehouse.gov/omb/grants/chart.html>.

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 procurement standards described in the North Carolina General Statutes and the North Carolina Administrative Code, which are identified in the State of North Carolina Agency Purchasing Manual accessible on the Internet at http://www.doa.state.nc.us/PandC/agpurman.htm#P6_65.

Nongovernmental subrecipients shall maintain written Procurement policies that are followed in procuring the goods and services required to administer the program.

L. REPORTING

Local health departments are required to submit expenditure reports as outlined in the Consolidated Agreement between the Division of Public Health and each Local Health Department.

Suggested Audit Procedures

Special services may be tested by:

- reviewing whether a contract was developed between the health department and the provider of this special service;
- requesting evidence from the health department of prior written approval from the State Public Health Preparedness and Response Coordinator when required and,
- requesting and reviewing the required agreement addenda and budget authorizations which provided the special funds for this service.
- reviewing to ensure one of three models is used as a protocol for services.

M. SUBRECIPIENT MONITORING

The office of Public Health Preparedness and Response utilizes a process that involves ongoing monitoring of both programmatic and fiscal subrecipient responsibilities and

activities. This process includes: reviewing subrecipient reports, performing site visits to review financial and programmatic records and observing operations; providing training and direction for the completion of all necessary and required forms and documents, encouraging frequent and open communications through telephone calls, e-mails, and letters, and performing random inspections and audits of program activities.

At least annually, the subrecipient monitor assigns the subrecipient agency a risk category based on performance. If a subrecipient agency is determined to be “high risk”, that information is recorded and provided to the subject subrecipient agency and to the Division office. After review, and based upon the risk category assigned and the required frequency of site visits for that category, the subrecipient monitor schedules the necessary site visits and records the dates on the Subrecipient Monitoring Log.

N. SPECIAL TESTS AND PROVISIONS

The DHHS Division of Public Health is made up of six major sections: Health Promotion and Disease Prevention, Epidemiology, and Women’s and Children’s Health Services, Oral Health, Local Health Services, and Financial Management and Support Services Section. 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 heading: 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.

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, as applicable, describe much of the detailed information the auditor may be seeking during a review of these programs.

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) completed by the grantee's board of directors or other governing body 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.

Audit Objective – Determine whether the grantee has adopted and has on file, a conflict of interest policy, before receiving and disbursing State funds.

Suggested Audit Procedures:

1. Ascertain that the grantee has a written conflict of interest policy.
2. Check the policy and verify through Board minutes that the policy was adopted before the grantee received and disbursed State funds.