

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**CHOCTAW NATION OF OKLAHOMA
MADE PROGRESS TOWARD MEETING
PROGRAM GOALS DURING THE
FIRST YEAR OF ITS TRIBAL OPIOID
RESPONSE GRANT**

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Deputy Inspector General
for Audit Services**

**January 2021
A-07-20-04121**

Office of Inspector General

<https://oig.hhs.gov/>

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OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

Report in Brief

Date: January 2021

Report No. A-07-20-04121

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

The HHS, Substance Abuse and Mental Health Services Administration (SAMHSA), has awarded a series of grants to States and Tribes to combat opioid use disorder (OUD). SAMHSA was authorized to award \$1 billion in funding for fiscal years (FYs) 2017 and 2018. These grants included the Tribal Opioid Response (TOR) grants. The purposes of these grants were to increase access to treatment, reduce unmet treatment needs, and reduce opioid overdose-related deaths through prevention, treatment, and recovery services for OUD.

Our objective was to determine whether the Choctaw Nation of Oklahoma met program goals and complied with Federal regulations in administering its TOR grant.

How OIG Did This Audit

The Choctaw Nation was awarded the TOR grant for the period September 30, 2018, through September 29, 2020. Our audit period was the first grant year.

To determine whether the Choctaw Nation met program goals, we reviewed the Tribe's grant application, needs assessment, strategic action plan, annual progress reports, and source documents for programs implemented during the first grant year. We then compared those programs against the requirements in SAMHSA's Funding Opportunity Announcement and determined whether the Tribe made progress or implemented programs in accordance with the TOR grant goals and requirements.

Choctaw Nation of Oklahoma Made Progress Toward Meeting Program Goals During the First Year of Its Tribal Opioid Response Grant

What OIG Found

The Choctaw Nation met some program goals for its TOR grant during the first grant year. Specifically, the Choctaw Nation met program goals in the areas of prevention and recovery. The Choctaw Nation also made progress toward meeting treatment program goals but encountered some challenges that prevented it from increasing the availability of medication-assisted treatment (MAT) services for Tribal members within its health care system. The Choctaw Nation was unable to achieve one of its goals during the first grant year: to send a provider to a 12-month addiction and pain management fellowship to obtain credentialing as an Addiction Medicine Specialist. Although the Choctaw Nation was unable to establish MAT services by enrolling a provider in this addiction and pain management fellowship, the Tribe instead sent some of its current providers to become MAT waiver trained.

The Choctaw Nation generally complied with Federal cost principles when administering its TOR grant. However, during the first grant year the Choctaw Nation claimed a cost of \$2,405 to the TOR grant that was unallowable. A contractor submitted one invoice for work performed on the grant that included the cost of a chartered flight, and the Choctaw Nation charged the entire invoice amount to the grant award. The cost of the chartered flight was unallowable because it was unreasonable. This error occurred because the Choctaw Nation's policies and procedures did not clearly delineate responsibilities of departments in assessing the allowability of costs in the context of applicable Federal requirements on invoices submitted by the contractor.

What OIG Recommends and Grantee Comments

We recommend that the Choctaw Nation refund unallowable costs of \$2,405 to the TOR grant. We also make procedural recommendations to the Choctaw Nation to train staff to identify contract costs that are allowable under Federal regulations and strengthen or establish policies and procedures regarding Tribal departmental responsibilities and staff access to contractual agreements.

Although the Choctaw Nation did not directly agree or disagree with our recommendations, it described corrective actions it took that were in keeping with our recommendations. The Choctaw Nation said that it received a refund from the contractor for the unallowable costs and used the returned funds on allowable expenditures. The Choctaw Nation added that it has implemented a more stringent process to review costs charged to the grant and a system whereby contracts can be accessed by any necessary party.

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INTRODUCTION

WHY WE DID THIS AUDIT

The Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA), has awarded a series of grants to States and Tribes to combat opioid use disorder (OUD). SAMHSA was authorized to award \$1 billion in OUD-related funding for fiscal years (FYs) 2017 and 2018. These grants included the Opioid State Targeted Response, the State Opioid Response, and the Tribal Opioid Response (TOR) grants. The purposes of these grants were to increase access to treatment, reduce unmet treatment needs, and reduce opioid overdose-related deaths through prevention, treatment, and recovery services for OUD. States and Tribes that received these grants must use the funds to supplement activities pertaining to opioid-related activities administered under the Substance Abuse Prevention and Treatment Block Grant under the Public Health Service Act.¹ We are conducting a series of audits in various States and Tribal Organizations of grantees that received funding through these three grant types. Accordingly, we selected for audit the TOR grant to the Choctaw Nation of Oklahoma based on various risk factors, including the total amount of funding awarded to the Tribe.

OBJECTIVE

Our objective was to determine whether the Choctaw Nation met program goals and complied with Federal regulations in administering its TOR grant.

BACKGROUND

Tribal Opioid Response Grants

SAMSHA awarded TOR grants to address the opioid crisis in tribal communities by increasing access to culturally appropriate and evidence-based treatments. SAMSHA required Tribes to use TOR funds for evidence-based treatments, practices, and interventions for OUDs. Specifically, SAMHSA required in its Funding Opportunity Announcement (FOA) that Food and Drug Administration (FDA)-approved medication-assisted treatments (MATs) be provided to those diagnosed with an OUD. Medications approved by the FDA for use in MAT include methadone, buprenorphine products, and naltrexone. These medications are primarily used for the treatment of addiction to opioids such as heroin as well as prescription pain relievers that contain opiates. They operate to normalize brain chemistry, block the euphoric effects of alcohol and opioids, relieve physiological cravings, and normalize body functions without the negative and euphoric effects of the substance used. In addition to providing MATs, Tribes are required to provide effective prevention and recovery support services to ensure that individuals receive a comprehensive array of services across the spectrum of prevention, treatment, and recovery.

¹ The Public Health Service Act, P.L. No. 78-410 (Jul. 1, 1944).

The Choctaw Nation of Oklahoma

The Choctaw Nation is a federally recognized Tribe with its tribal jurisdiction comprising 12 tribal districts and 8 Oklahoma counties. The Choctaw Nation's headquarters is in Durant, Oklahoma.

The Choctaw Nation Health Services Authority (CNHSA) administers the Choctaw Nation's health care system and serves the tribal service areas in southeastern Oklahoma. The main facility is the Choctaw Nation Health Care Center, located in Talihina, Oklahoma, which includes 44 inpatient beds and offers services such as surgery, pediatrics, radiology, pharmacy, family practice, and emergency services. In addition to the main facility, the CNHSA system includes eight outlying clinics.

The CNHSA system includes a Behavioral Health Department that provides services at the main facility as well as at the outlying clinics. During our audit period, the Behavioral Health Department provided the following services: individual and family counseling, case management services, substance abuse counseling, psychiatric evaluation, crisis intervention, and suicide prevention. The Choctaw Nation charged the CNHSA Behavioral Health Department staff with implementing the programs under the TOR grant.

The Choctaw Nation of Oklahoma's Tribal Opioid Response Grant

On September 24, 2018, SAMSHA awarded a TOR grant, grant number 1H79TI081829-01, to the Choctaw Nation, with an initial grant award of \$3,052,066. On September 26, 2019, SAMSHA awarded an additional \$585,035 to the Tribe under the same grant. In sum, SAMSHA awarded the Choctaw Nation a total of \$3,637,101 under its TOR grant.

The 2-year period for the grant was September 30, 2018, through September 29, 2020. In its application for the TOR grant, the Choctaw Nation budgeted \$1,526,033 to be expended in the period September 30, 2018, through September 29, 2019 (the first grant year).

HOW WE CONDUCTED THIS AUDIT

Our audit period was the first grant year of the TOR grant awarded to the Choctaw Nation. To determine whether the Choctaw Nation met program goals, we reviewed the Tribe's grant application, needs assessment, strategic action plan, annual progress reports, and source documents for programs implemented during the first grant year. We then compared those programs against the requirements in SAMSHA's FOA and determined whether the Tribe made progress or implemented programs in accordance with the TOR grant goals and requirements during the first grant year.

To determine whether the Choctaw Nation complied with Federal regulations, we reviewed its *Internal Financial Management Procedures* and interviewed the Tribe's financial and program

staff. The Choctaw Nation's *Internal Financial Management Procedures* adopts principles from the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework.²

We assessed the Tribe's design, implementation, and operating effectiveness of its internal controls over the financial administration of grant funds by reviewing the Tribe's policies and procedures and by judgmentally testing expenditures totaling \$180,102 from the TOR grant general ledger for the first grant year.³ We tested and verified that the expenditures were proper and that control activities were operating effectively. We considered the component of control activities and the principles of design and implementation of control activities.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains the details of our audit scope and methodology.

FINDINGS

The Choctaw Nation met some program goals for its TOR grant during the first grant year. Specifically, the Choctaw Nation met program goals in the areas of prevention and recovery. The Choctaw Nation also made progress toward meeting treatment program goals but encountered some challenges that prevented it from increasing the availability of MAT services for Tribal members within CNHSA. The Choctaw Nation was unable to achieve one of its goals during the first grant year: to send a provider to a 12-month addiction and pain management fellowship to obtain credentialing as an Addiction Medicine Specialist. Although the Choctaw Nation was unable to establish MAT services by enrolling a provider in this addiction and pain management fellowship, the Tribe instead sent some of its current providers to become MAT waiver trained. This training was a prerequisite for those providers to subsequently gain Drug Enforcement Agency (DEA) approval to prescribe MAT services using FDA-approved medications such as methadone, buprenorphine, and naltrexone for the treatment of OUD.

The Choctaw Nation generally complied with the cost principles found in 45 CFR part 75 when administering its TOR grant. However, during the first grant year the Choctaw Nation claimed a cost of \$2,405 to the TOR grant that was unallowable. A contractor submitted one invoice for work performed on the grant that included the cost of a chartered flight, and the Choctaw Nation charged the entire invoice amount to the grant award. The cost of the chartered flight

² The COSO framework provides guidance on the components of internal controls, and is made up of 5 components and 17 principles (<https://www.coso.org/Documents/COSO-ICIF-11x17-Cube-Graphic.pdf>) (accessed Oct. 23, 2020).

³ We judgmentally selected high-dollar expenditures of various types, including contracts, travel costs, and indirect costs.

was unallowable because it was unreasonable, as more affordable options were readily available. This error occurred because the Choctaw Nation's policies and procedures did not clearly delineate responsibilities of departments in assessing the allowability of costs in the context of applicable Federal requirements on invoices submitted by the contractor.

GRANTEE MADE PROGRESS IN MEETING TRIBAL OPIOID RESPONSE PROGRAM GOALS DURING THE FIRST GRANT YEAR

Federal Requirements

SAMHSA's FOA requirements for TOR grants specified that grant funds be used to reduce unmet treatment need and opioid overdose-related deaths through the provision of prevention, treatment, and recovery services. Tribes were required to provide prevention services that included education, outreach, and community prevention activities. For treatment services, Tribes were required to provide FDA-approved MAT to individuals diagnosed with OUD. For recovery services, Tribes were required to provide peer supports, recovery coaches, and recovery housing. In addition, SAMHSA's FOA required that workforce development activities be implemented to ensure that individuals working in tribal communities are well versed in strategies to prevent and treat opioid misuse (SAMHSA's FOA, section I-2).

Grantee Made Progress Toward Meeting Program Goals During the First Grant Year

During the first grant year, the Choctaw Nation met program goals in the areas of prevention and recovery and made progress toward meeting treatment program goals. For prevention program goals, the Choctaw Nation delivered substance use disorder and violence prevention training, and presentations on understanding mental health, to teachers, school staff, and community members. The Choctaw Nation also used educational videos on opioid misuse and mental health in CNHSA waiting rooms. For recovery program goals, the Choctaw Nation hired and assigned case managers to patients. The case managers met with patients monthly to support the patients' recovery plans. The Choctaw Nation also provided referrals and resources to patients who requested transitional housing for recovery.

The Choctaw Nation made progress toward meeting treatment program goals but encountered some challenges that prevented the Tribe from increasing MAT services. Specifically, one of the Choctaw Nation's goals during the first grant year (as stated in its grant application to SAMHSA) was to send a provider to a 12-month addiction and pain management fellowship. Successful completion of this fellowship would allow that provider to obtain credentialing as an Addiction Medicine Specialist and, accordingly, to provide prevention, evaluation, diagnosis, and MAT services for substance use disorder. However, the Tribe did not send a provider to attend the fellowship because it was located too far from any available provider's location and would therefore have required the provider to move.

Although the Choctaw Nation was unable to establish MAT services by enrolling a provider in this addiction and pain management fellowship, the Tribe instead sent some of its current providers to become MAT waiver trained.⁴ MAT waiver training involves an 8-hour training program that allows providers to apply for a waiver with the DEA to prescribe MAT services using FDA-approved medications such as methadone, buprenorphine, and naltrexone for the treatment of OUD. In addition, by sending some of its providers to become MAT waiver trained, the Choctaw Nation developed its current workforce to ensure that the Tribe's staff could treat OUD. We regard the Choctaw Nation's efforts to pursue the alternative course of action described here as indicative of a good-faith effort to meet treatment program goals.⁵ Additionally, the Choctaw Nation was successful in requesting that CNHSA pharmacies allow the use of naltrexone for the treatment of OUD.

Choctaw Nation officials told us during our audit that the Tribe planned to apply for a no-cost extension to its TOR grant, which if approved would allow the Tribe an additional 6 months to draw down any unused funds from the initial 2-year grant period and to complete treatment program goals.

GRANTEE CLAIMED SOME UNALLOWABLE CONTRACT COSTS

Federal Requirements

Federal requirements state that grantees must establish and maintain effective internal control over grant funds and provide reasonable assurance that grantees are managing the program in compliance with Federal statutes, regulations, and the terms and conditions of the Federal grant (45 CFR §§ 75.302(a) and 75.303(a)).

Federal requirements state that costs must be necessary and reasonable for the performance of the Federal grant to be allowable (45 CFR § 75.403(a)). A cost is reasonable if it does not exceed that which would be incurred by a prudent person, is of a type generally recognized as ordinary and necessary for the operation of the Federal award, is of sound business practice, is comparable to market prices, and does not deviate from established practices (45 CFR §§ 75.404(a) – (e)).

Grantee Charged Unallowable Costs Associated With a Chartered Flight to the Grant Award

The Choctaw Nation generally complied with the cost principles found in 45 CFR part 75 when administering its TOR grant. However, during the first grant year the Choctaw Nation claimed a cost of \$2,405 to the TOR grant that was unallowable. A contractor submitted one invoice for work performed on the grant that included the cost of a chartered flight, and the Choctaw

⁴ In keeping with the terms of the grant award, the Choctaw Nation informed SAMHSA of this shift in focus and resources. The Tribe was not required to obtain written approval from SAMHSA.

⁵ The Choctaw Nation communicated to SAMHSA that it intended to send some of its providers to become MAT waiver trained rather than enroll a provider in the addiction and pain management fellowship.

Nation charged the entire invoice amount to the grant award. The cost of the chartered flight (used to transport the contractor 99 miles from Oklahoma City, Oklahoma, to Grayson, Oklahoma, to speak at a seminar) was unallowable because it was unreasonable. Specifically, the cost of the chartered flight exceeded costs that would typically be incurred by a prudent person and would not be generally recognized as ordinary and necessary for the operation of the grant. The cost of the chartered flight was not comparable with market prices. The cost of a round-trip commercial flight from Oklahoma City to Tulsa, Oklahoma, is \$187 and the cost of a rental car in Tulsa is \$94). Alternatively, driving from Oklahoma City to Grayson, Oklahoma, would normally take about 90 minutes and cost approximately \$104 in reimbursable mileage. Lastly, we determined that the chartered flight also constituted an unusual business practice, because the Choctaw Nation staff flew commercial, not chartered, when attending training or conferences related to the TOR grant.

Grantee Had Not Established Clear Responsibilities for Determining the Allowability of Contract Costs

The Choctaw Nation's internal controls were inadequate to prevent it from claiming the unallowable cost of the chartered flight. First, it was not clear, either to us or to the Choctaw Nation staff members themselves, which Tribal departments were responsible for evaluating the reasonableness and allowability of expenses on invoices submitted by the contractor. The Choctaw Nation's *Internal Financial Management Procedures* stated that all individuals approving a transaction were responsible for determining the allowability of a cost. However, when we asked staff from the Choctaw Nation's legal department, its TOR program department, and its finance department who was responsible for evaluating the reasonableness and allowability of expenses on invoices submitted by the contractor, staff members provided conflicting answers. Because responsibilities of these departments were not clearly delineated in the Choctaw Nation's policies and procedures, no one evaluated the allowability of costs on the invoice submitted by the contractor in the context of applicable Federal requirements. Moreover, staff members from the finance and program departments did not have access to the Choctaw Nation's contractual agreement with the contractor because there were no established procedures to identify costs that are unallowable under the provisions of the contractual agreement and the Federal grant. Thus, the Choctaw Nation claimed a chartered flight cost of \$2,405 to the TOR grant that was unallowable.

When we inquired about the chartered flight during our audit, the contractor determined that it erroneously invoiced the Choctaw Nation for the chartered flight. On May 8, 2020, the contractor refunded the \$2,405 associated with this invoice to the Choctaw Nation.

RECOMMENDATIONS

We recommend that the Choctaw Nation of Oklahoma:

- refund unallowable costs of \$2,405 to the TOR grant,

- train staff to identify contract costs that are allowable under Federal regulations,
- strengthen policies and procedures by clarifying responsibilities between and within Tribal departments for the review and approval of costs submitted on contractor invoices, and
- establish policies and procedures that give staff members from the finance and program departments access to contractual agreements so that they can determine which costs are allowable under both the contractual agreement and the Federal grant.

GRANTEE COMMENTS

Although the Choctaw Nation did not directly agree or disagree with our recommendations in its written comments on our draft report, the Tribe described corrective actions it took that were in keeping with our recommendations. For our first recommendation, the Choctaw Nation said that it requested and received (on June 30, 2020) a refund from the contractor for the unallowable costs, which the Tribe used for allowable salary, fringe, and supply expenditures on the grant.

For our second and third recommendations, the Choctaw Nation stated that its staff have implemented “a more stringent process” to review costs that are charged to the grant. The Choctaw Nation added that its finance and program department staff work together to review costs. The Tribe also said that it implements training at the beginning of a grant and periodically through the year and that it communicates any new or updated policies and procedures to all staff working on the grant.

For our fourth recommendation, the Choctaw Nation stated that contracts are now submitted into a contract review system for the legal department to review prior to execution of the contract. According to the Choctaw Nation, the contract review system can be accessed by any necessary party. In addition, “both the finance and program [department] staff have established an open line of communication . . . to ensure that all costs are allowable.”

The Choctaw Nation’s comments on our draft report appear in their entirety as Appendix B.

OTHER MATTERS

The Choctaw Nation did not collect and submit some data required by SAMHSA during the first grant year. SAMHSA’s FOA required the Choctaw Nation to collect and report certain data so that SAMHSA could meet its obligations under the Government Performance and Results Act (GPRA) Modernization Act of 2010.⁶ SAMHSA required these data for use in determining the impact of the TOR grant program on opioid use, opioid-related morbidity, and mortality. Specifically, the FOA required the Choctaw Nation to collect and report client-level data on

⁶ The GPRA Modernization Act of 2010, P.L. No. 111-352 (Jan. 4, 2011).

elements including diagnosis, demographic characteristics, substance use, services received, employment status, criminal justice involvement, and housing. During the first grant year, the Choctaw Nation collected data such as patients' identifiers and the types of outreach provided. The data the Choctaw Nation collected were based on the Tribe's own goals and objectives as indicated in its grant application.

The Choctaw Nation was unable to collect the required data during the first grant year because—as Tribal staff told us and as we verified by examining email communications between SAMHSA and the Tribe—SAMHSA delayed communication with the Tribe regarding the data requirements. Specifically, SAMHSA did not communicate instructions to the Choctaw Nation regarding which data elements to collect until September 2019, which was the end of the first grant year. In addition, SAMHSA did not communicate that the tool it had created to assist the Choctaw Nation in data collection had been approved until October 2019, which was the beginning of the second grant year. Choctaw Nation staff told us that the Tribe planned to collect and submit the required data to SAMHSA for the remainder of the grant period.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Our audit period was September 30, 2018, through September 29, 2019, the first grant year of the TOR grant awarded to the Choctaw Nation. To determine whether the Choctaw Nation met program goals, we reviewed the Tribe's grant application, needs assessment, strategic action plan, annual progress reports, and source documents for programs implemented during the first grant year. We then compared those programs against the requirements in SAMHSA's FOA and determined whether the Tribe made progress or implemented programs in accordance with the TOR grant goals and requirements during the first grant year.

To determine whether the Choctaw Nation complied with relevant Federal regulations (45 CFR §§ 75.302(a) and 75.303(a)), we reviewed its *Internal Financial Management Procedures* and interviewed the Tribe's financial and program staff. The Choctaw Nation's *Internal Financial Management Procedures* adopts principles from the COSO framework (footnote 2).

We assessed the Tribe's design, implementation, and operating effectiveness of internal controls over the financial administration of grant funds by reviewing the Tribe's policies and procedures and by judgmentally testing expenditures totaling \$180,102 from the TOR grant general ledger during the first grant year. We tested and verified that the expenditures were proper and that control activities were operating effectively. We considered the component of control activities and the principles of design and implementation of control activities.

This audit is one in a nationwide series of audits. We conducted our audit work from January to October 2020 at our office in Denver, Colorado.

METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal, grant, and program requirements related to SAMHSA's TOR grant;
- interviewed SAMHSA staff regarding the Choctaw Nation's progress in meeting the objectives of the grant, challenges in meeting program goals, and concerns related to the implementation of the grant;
- interviewed the Choctaw Nation staff responsible for administering the TOR grant programs to gain an understanding of the activities implemented to meet program goals and to document the types of services that were prioritized and funded for OUD prevention, treatment, and recovery;

- obtained an understanding of the Choctaw Nation’s oversight of TOR programs, program expenses, and program goals by reviewing policies, procedures, and program goal requirements;
- obtained an understanding of any challenges or barriers the Choctaw Nation encountered in providing access to OUD treatment, in requesting and obtaining technical assistance from SAMHSA, or in performing data collection and using the GPRA data collection tool;
- obtained an understanding of the existing infrastructure to provide access to MAT treatment and an understanding of how the Choctaw Nation decided which types of MAT to fund;
- reviewed the Choctaw Nation’s grant application, award documents, Federal Financial Report, and annual progress report for the first grant year and
 - determined whether the Tribe completed the Federal Financial Report and the annual progress report accurately and in compliance with Federal regulations and
 - obtained an understanding of the Tribe’s process for completing the annual progress report submitted to SAMHSA and verified the accuracy of that report by reconciling supporting documentation to it;
- reviewed the Choctaw Nation’s *Internal Financial Management Procedures* to assess the Tribe’s internal control design;
- verified implementation and operating effectiveness of internal controls over the financial administration of grant funds by selecting a judgmental sample of 11 expenditures from the TOR general ledger and testing whether the expenditures were proper and that control activities were operating effectively; and
- discussed the results of our audit with Choctaw Nation officials on August 4, 2020.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



Choctaw Nation of Oklahoma

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Gary Batton
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US Department of Health and Human Services
Office of Inspector General
Office of Audit Services

Re: SAMHSA Tribal Opioid Response Audit- Choctaw Nation of Oklahoma

Mr. Patrick Cogley,

Thank you for your patience as we completed the requested response to our OIG audit. It was a pleasure to work with you and your team. We hope the responses below will suffice. If you need anything further, please do not hesitate to call.

OIG Recommendation 1:

Refund unallowable costs of \$2,405 to the TOR grant.

CNO Response 1:

Refund was requested from the contractor for the unallowable cost. A check was received on 06/30/2020 for the full amount of the unallowable costs. The returned funds were then utilized for allowable salary, fringe, and supply expenditures on the grant.

OIG Recommendation 2:

Train staff to identify contract costs that are allowable under Federal regulations.

CNO Response 2:

CNO staff with direct oversight to this grant have implemented a more stringent review process of costs that are charged to the grant. Both finance and program department staff work hand in hand to review costs as they come in and have open communication regarding any questions or concerns. Training is implemented at the beginning of a grant through the kickoff meeting, which ensures that all parties involved are aware of all the regulations and conditions of the grant at implementation. Any new and/or updated policies and procedures are also emailed out to all staff working on grants. There are also periodic training opportunities regarding various grant topics provided throughout the year.

OIG Recommendation 3:

Strengthen policies and procedures by clarifying responsibilities between and within Tribal departments for the review and approval of costs submitted on contractor invoices.



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CNO Response 3:

As stated in response 2, the staff have implemented a more stringent review process of the costs that are charged to this grant. Both finance and program department staff work hand in hand to review costs as they come in and have established open communication regarding any questions or concerns. This process allows the departments to mitigate any issues with unallowable costs prior to being drawn down.

OIG Recommendation 4:

Establish policies and procedures that give staff members from the finance and program departments access to contractual agreements so that they can determine which costs are allowable under both the contractual agreement and the Federal grant.

CNO Response 4:

Contracts at Choctaw Nation are now submitted into the Nation's contract review system for legal review prior to execution. In this system view access can be given to any party deemed necessary. Also, both the finance and program staff have established an open line of communication regarding how and the type of costs charged to this grant to ensure that all costs are allowable.

Happy Holidays and we wish you a very safe and healthy New Year,

Sincerely,

/Nathan Billy/

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Choctaw Nation of Oklahoma Tribal Opioid Response Grant (A-07-20-04121)