

Audit Report

**The Sexually Transmitted Disease/  
Human Immunodeficiency Virus  
(STD/HIV) Prevention Services  
Grant Program**

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City of Houston Health Department



**Inspector  
General**

Texas Health  
and Human Services

August 11, 2022

OIG Report No. AUD-22-018

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# Audit Overview

## Overall Conclusion

The City of Houston Health Department performed key sexually transmitted disease (STD) and human immunodeficiency virus (HIV) prevention services activities; however, the City of Houston Health Department did not have processes in place to ensure (a) program objectives were met, (b) financial expenditures were appropriate, and (c) compliance with selected security and confidentiality requirements was achieved.

## Key Audit Results

The City of Houston Health Department performed grant agreement activities such as testing for sexually transmitted diseases, interviewing newly diagnosed individuals, identifying partners, and connecting both the diagnosed individual and their partners to care and treatment. However, the City of Houston Health Department consistently did not meet program objectives designed to measure the effectiveness of the Sexually Transmitted Disease/Human Immunodeficiency Virus (STD/HIV) Prevention Services Grant Program.

### Objective

The audit objective was to determine whether the City of Houston Health Department had processes and controls in place to ensure it administered the STD/HIV Prevention Services Grant Program in accordance with selected grant agreement requirements for performance, data management, reporting, and grant expenditures.

### Scope

The audit scope covered the period from January 1, 2019, through August 31, 2021. The audit included a review of the City of Houston Health Department's internal controls as well as testing of controls that were significant within the context of the audit objective.

Specifically, of the program objectives reviewed as part of this audit,<sup>1</sup> the City of Houston Health Department did not meet:

- 7 of 8 program objectives for 2019.<sup>2</sup>
- 9 of 10 program objectives for 2020.
- 9 of 10 program objectives for 2021.

Additionally, the City of Houston Health Department did not ensure expenses were incurred exclusively for grant activities performed during the grant year and spent a disproportionate amount of their 2019 (49 percent) and 2020 (45 percent) grant agreement budgets during the fourth quarters of each year. Specifically, of the expenses tested, the City of Houston Health Department did not provide sufficient documentation to support:

- 7 of 10 expenses, totaling \$137,016, in 2019.
- 7 of 10 expenses, totaling \$174,615, in 2020.
- 4 of 10 expenses, totaling \$192,349, in 2021.

Further, the City of Houston Health Department did not have sufficient documentation to support 40 salaries tested, totaling \$79,913, charged to the STD/HIV Prevention Services Grant Program in 2019.

#### What Prompted This Audit

The U.S. Centers for Disease Control and Prevention (CDC) estimated that approximately 26.2 million new viral and bacterial sexually transmitted infections occurred in 2018.<sup>3</sup> Sexually transmitted diseases are often asymptomatic, and infected individuals may be unaware of their infection. This can result in serious, long-term medical complications.

The Texas Department of State Health Services (DSHS) contracts with local health departments, including the City of Houston Health Department, to monitor, surveille, and respond to STD outbreaks. These efforts are essential for preventing and controlling the spread of STDs.<sup>4</sup>

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<sup>1</sup> OIG Audit reviewed 8 of 28 program objectives for 2019; 10 of 28 program objectives for 2020; and 10 of 29 program objectives for 2021.

<sup>2</sup> Unless otherwise described, any year referenced is the grant year, which covers the period from January 1, 2019, through December 31, 2019, for grant year 2019; January 1, 2020, through December 31, 2020, for grant year 2020; and January 1, 2021, through August 31, 2021, for grant year 2021.

<sup>3</sup> Kristen M. Kreisel et al., "Sexually Transmitted Infections Among US Women and Men: Prevalence and Incidence Estimates, 2018," *Sexually Transmitted Diseases* 48, no. 4 (Apr. 2021): 208–214, doi: <https://doi.org/10.1097/olq.0000000000001355>.

<sup>4</sup> U.S. Centers for Disease Control and Prevention Request for Applications (RFA), *Strengthening STD Prevention and Control for Health Departments (STD PCHD)*, RFA #CDC-RFA-PS19-1901 (July 31, 2018).

In 2020, Texas Department of State Health Services (DSHS) contract monitoring completed a review of the City of Houston Health Department's payroll records and identified payroll expenses were not properly supported. As a result, the City of Houston Health Department implemented a new process, and sampled payroll expenses charged to the grant program during 2020 and 2021 were supported by retrospective timesheets and certified as required.

In addition, the City of Houston Health Department did not have effective security and confidentiality controls in place to ensure (a) access to systems and information was appropriate or (b) required documentation was maintained.

The Texas Health and Human Services (HHS) Office of Inspector General (OIG) Audit and Inspections Division (OIG Audit) offered recommendations to the City of Houston Health Department, which, if implemented, will help ensure that the City of Houston Health Department meets grant program requirements, uses grant funds as intended, and secures confidential data.

The "Detailed Audit Results" section of this report presents additional information about the audit results. OIG Audit communicated other, less significant issues to the City of Houston Health Department in a separate written communication.

OIG Audit presented preliminary audit results, issues, and recommendations to the City of Houston Health Department in a draft report dated July 13, 2022. The City of Houston Health Department partially agreed with the audit recommendations and indicated corrective actions had been fully implemented. The City of Houston Health Department's action plan is included in the report following each recommendation.

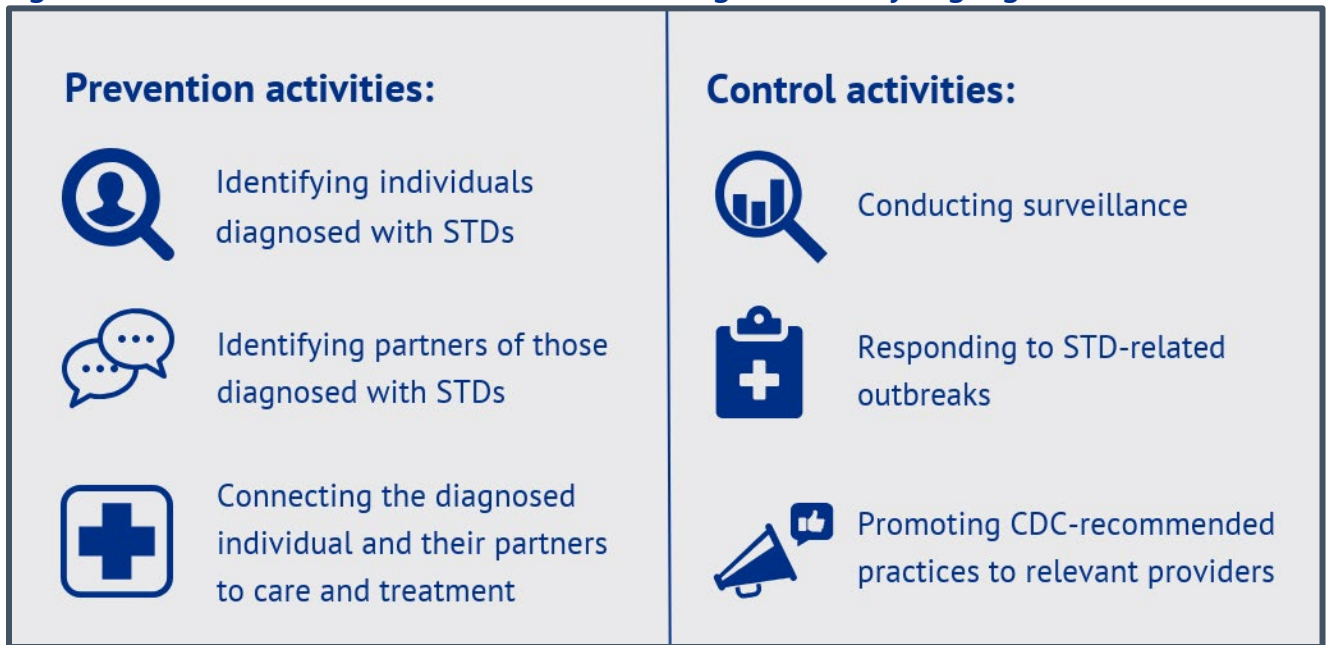
OIG Audit recognizes the unique challenges that the City of Houston Health Department faced as a result of COVID-19, which occurred during part of the audit scope period. OIG Audit thanks management and staff at the City of Houston Health Department for their cooperation and assistance during this audit.

## **Key Program Data**

The DSHS STD/HIV Prevention Services Grant Program is designed to control and prevent the spread of STDs, including Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS) and viral hepatitis.

The City of Houston Health Department performs STD/HIV Prevention Services Grant Program activities to prevent and control the spread of STDs. The prevention activities include identifying individuals with STDs, identifying partners of those diagnosed with STDs, and connecting both the diagnosed individual and their partners to care and treatment. The control activities include conducting surveillance, responding to STD-related outbreaks, and promoting CDC-recommended practices to relevant providers. Figure 1 summarizes some of the STD/HIV Prevention Services Grant Program prevention and control activities.

**Figure 1: STD/HIV Prevention Services Grant Program Activity Highlights**



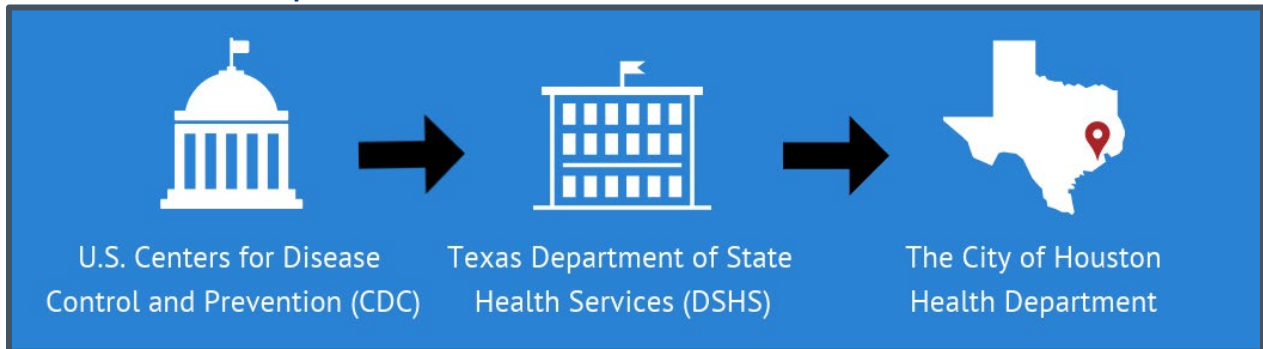
Source: OIG Audit

The City of Houston Health Department directly administers STD testing and provides STD counseling through four walk-in clinics and a mobile clinic that can travel throughout the city. In addition, DSHS assigns outreach activities to the City of Houston Health Department through the Tuberculosis (TB), HIV, STD Integrated System (THISIS) electronic disease surveillance system. The City of Houston Health Department then provides education, outreach, and screening services to individuals diagnosed with STDs and other at-risk populations.

## STD/HIV Prevention Services Grant Program Structure and Budget

DSHS acts as a pass-through entity between the CDC and the City of Houston Health Department for STD prevention and control programs.<sup>5</sup> As of August 31, 2021, the City of Houston Health Department was one of eight local health departments in Texas with a grant agreement with DSHS. Grant agreements for all eight local health departments were valued at \$37.6 million for the period from January 1, 2019, through August 31, 2021. Figure 2 illustrates the STD prevention and control program structure for the City of Houston Health Department.

**Figure 2: STD Prevention and Control Program Structure for the City of Houston Health Department**



Source: OIG Audit

During the audit scope, which covered the period from January 1, 2019, through August 31, 2021, the City of Houston Health Department had a total budget of \$12.9 million for the STD/HIV Prevention Services Grant Program and received reimbursement from DSHS for \$12.5 million.

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<sup>5</sup> In 2018, the CDC awarded funding to state, local, and territorial health departments through the Strengthening STD Prevention and Control for Health Departments program.



Table 1 details the City of Houston Health Department’s grant agreement budget and reimbursed expenses by the grant year covered.

**Table 1: The City of Houston Health Department’s Grant Agreement Budget and Reimbursed Expenses**

Grant Year Covered	Grant Agreement Budget	Reimbursed Expenses
January 1, 2019, through December 31, 2019	\$4,679,628	\$4,615,524
January 1, 2020, through December 31, 2020	4,738,527	4,474,086
January 1, 2021, through August 31, 2021 <sup>6</sup>	3,491,626	3,401,323
<b>Total</b>	<b>\$12,909,781</b>	<b>\$12,490,933</b>

Source: OIG Audit

The City of Houston Health Department submits a budget to DSHS for each grant agreement year, and DSHS reviews and approves the budget before incorporating it into the final grant agreement for the year. The City of Houston Health Department submits a voucher to DSHS to request reimbursement for allowable expenses.

## Auditing Standards

### Generally Accepted Government Auditing Standards

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.

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<sup>6</sup> In 2021, DSHS changed the grant agreement year from a calendar year basis to match the state fiscal year. As a result, the 2021 grant agreement year only covered the eight months from January 1, 2021, through August 31, 2021.



# Detailed Audit Results

OIG Audit reviewed the City of Houston Health Department's performance of program objectives, compliance with financial expenditure and reporting requirements, and security and confidentiality controls. The City of Houston Health Department performed STD and HIV prevention services grant activities such as:

- Testing for sexually transmitted diseases.
- Interviewing newly diagnosed individuals.
- Identifying partners.
- Connecting both the diagnosed individual and their partners to care and treatment.

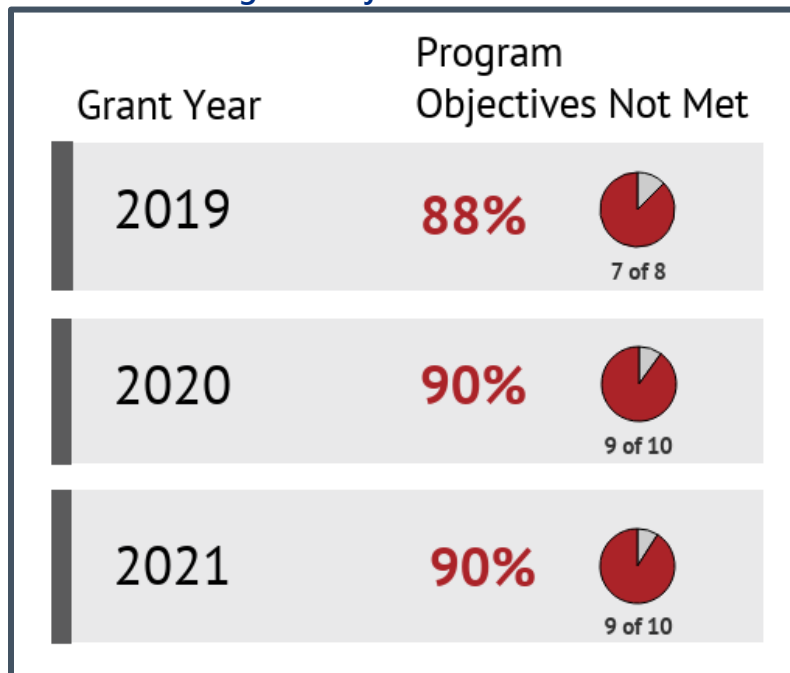
However, the City of Houston Health Department did not have processes in place to ensure (a) program objectives were met, (b) financial expenditures were appropriate, and (c) compliance with selected security and confidentiality requirements was achieved. The following sections of this report provide additional detail about the issues identified by OIG Audit.

## Chapter 1: The City of Houston Health Department Did Not Always Meet STD and HIV Program Objectives

The City of Houston Health Department did not always meet STD and HIV program objectives in the 2019, 2020, and 2021 grant years. The STD/HIV Prevention Services Grant Program requires the City of Houston Health Department to perform certain outreach, screening, education, and testing activities to control and prevent the spread of STDs.<sup>7</sup>

Specifically, the City of Houston Health Department did not meet 25 of 28 (89.3 percent) program objectives established to assess effectiveness in providing STD/HIV control and prevention services. As such, DSHS may require the City of Houston Health Department to take additional measures to improve STD/HIV control and prevention performance. Figure 3 details the number of program objectives the City of Houston Health Department did not meet by grant year.

**Figure 3: The City of Houston Health Department’s Performance of Program Objectives**



Source: OIG Audit

<sup>7</sup> Sexually Transmitted Disease/Human Immunodeficiency Virus (STD/HIV) Contract, Contract #HHS000309100001 (Jan. 1, 2019), as amended.

The program objectives reviewed as part of this audit (a) concerned individuals diagnosed with HIV and/or syphilis and their partners and (b) were measured by either percentage or index.<sup>8</sup> Table 2 summarizes the City of Houston Health Department’s performance for program objectives measured by percentage, and Table 3 summarizes the City of Houston Health Department’s performance for program objectives measured by index. As indicated by the bold numerals in Table 3, the City of Houston Health Department met the program objective goal in each grant year for maintaining the required treatment index for individuals diagnosed with syphilis; however, for all three grant years, the City of Houston Health Department did not meet the performance goals for any other program objective reviewed.

**Table 2: The City of Houston Health Department’s Performance for Program Objectives Measured by Percentage**

Program Objective	Goal	2019 Performance	2020 Performance	2021 Performance
<b>Individuals Diagnosed with HIV</b>				
Interviewed within 7 days of assignment <sup>9</sup>	85%	—	59%	57%
Interviewed and completed their first HIV medical appointment	85% (2019) 90% (2020) 90% (2021)	65%	69%	73%
<b>Partners of Individuals Diagnosed with HIV</b>				
Percent of exposed partners tested for HIV	60%	39%	36%	40%
<b>Individuals Diagnosed with Syphilis</b>				
Interviewed within 3 days of assignment <sup>9</sup>	85%	—	28%	32%
<b>Partners of Individuals Diagnosed with Syphilis</b>				
Percent of exposed partners tested and treated for syphilis <sup>10</sup>	60%	36%	41%	42%

Source: Texas Department of State Health Services

<sup>8</sup> An index is an average value expressed in relation to a previously determined base number. DSHS included various partner, notification, and treatment indexes as program objectives in the STD/HIV Prevention Services Grant Program.

<sup>9</sup> The program objectives for interviewing individuals diagnosed with HIV or syphilis within a designated time frame were not program objectives or requirements during the 2019 grant year.

<sup>10</sup> In 2019, this program objective only required testing, and not treatment, for the partners of individuals diagnosed with syphilis.

**Table 3: The City of Houston Health Department’s Performance for Program Objectives Measured by Index**

Program Objective	Goal	2019 Performance	2020 Performance	2021 Performance
<b>Partners of Individuals Diagnosed with HIV</b>				
Partner index <sup>11</sup>	2.0	.43	.32	.29
Partner notification index <sup>12</sup>	0.75	.54	.48	.60
<b>Individuals Diagnosed with Syphilis</b>				
Treatment index <sup>13</sup>	0.75	.99	.98	.98
<b>Partners of Individuals Diagnosed with Syphilis</b>				
Partner index <sup>11</sup>	2.0	.47	.45	.37
Partner notification index <sup>12</sup>	0.75	.51	.52	.53

Source: Texas Department of State Health Services

THISIS, the STD and HIV system of record, does not produce standardized reports to calculate program objective performance, but performance can be calculated using data entered into THISIS.<sup>14</sup> For the grant years reviewed as part of this audit, the City of Houston Health Department did not have direct access to THISIS data, and DSHS did not calculate the City of Houston Health Department’s performance or communicate results to the City of Houston Health Department.

DSHS did calculate the City of Houston Health Department’s performance measures at the request of OIG Audit for 2019, 2020, and 2021. While the grant agreement requires the City of Houston Health Department to submit semiannual reports on public health follow-up and STD surveillance activities,<sup>15</sup> DSHS directed the City of Houston Health Department to exclude program

<sup>11</sup> In the context of this report, a “partner index” is the average number of partners identified through interviewing an individual diagnosed with HIV or syphilis.

<sup>12</sup> In the context of this report, a “partner notification index” is the proportion of identified partners that were successfully notified of the disease exposure.

<sup>13</sup> In the context of this report, a “treatment index” is the proportion of diagnosed, interviewed individuals who received treatment.

<sup>14</sup> THISIS contains morbidity, disease exposure, treatment, and follow-up data originating from laboratories, clinics, and public health staff.

<sup>15</sup> Sexually Transmitted Disease/Human Immunodeficiency Virus (STD/HIV) Contract, Contract #HHS000309100001 (Jan. 1, 2019), as amended.

objectives from all semiannual reports submitted in 2019, 2020, and 2021.<sup>16</sup> Direction from DSHS was limited to the reporting requirement and did not change the requirement to meet the program objectives.

## **Recommendation 1a**

The City of Houston Health Department should implement processes to identify when grant activities are not meeting program objectives.

### **Management Response**

#### **Action Plan**

The City of Houston Health Department's Bureau of HIV/STD and Viral Hepatitis Prevention is committed to providing quality essential services to prevent and control the spread of HIV, viral hepatitis, and sexually transmitted infections and meet program deliverables and objectives. As part of our quality improvement efforts and to ensure grant activities are meeting program objectives, the City of Houston Health Department will take a multipronged approach. We are committed to conducting internal audits, ensuring our activities align with the DSHS contract obligations, and working in partnership with DSHS to obtain frequent data reports from THISIS.

These audits of the STD Field Services Teams, who provide partner services, will initially use paper records to calculate the DSHS performance measures and ensure that internal controls are in place to accurately measure the program's effectiveness. These will be conducted quarterly for the first 12 months and biannually thereafter. The data from these internal mock audits will be retained and reviewed by the City of Houston Health Department Quality Council, comprised of department leadership. This provides greater accountability and transparency in our efforts to improve program performance and internal controls. Paper records will be used as an interim solution; however, the City of Houston Health Department will request DSHS to provide weekly reports from THISIS.

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<sup>16</sup> DSHS provided the same direction to all local health departments participating in the STD/HIV Prevention Services Grant Program.

The mock audit process will be as follows:

- The program will determine the audit sample size by calculating the average number of HIV, syphilis, and congenital syphilis cases for the audit period.
- Records will be selected at random from a line list exported from THISIS using the RANDOM function in Microsoft Excel.
- The team of auditors will consist of two (2) members from the Office of Service Integration, Program Quality and Effectiveness Bureau, which provides an independent review of the program's performance and internal controls, and (2) members from other Bureaus within the City of Houston Health Department who conduct similar public health follow-up activities.
- Each auditor will have an audit worksheet to document findings and observations from reviewing each randomly selected file.
- Audit findings will be reported to the Bureau of HIV/STD and Viral Hepatitis Prevention Leadership, the Field Operations Manager, and Disease Intervention Specialist supervisors, and the City of Houston Health Department Quality Council to develop an improvement plan if needed.

The City of Houston Health Department will strive to improve performance by ensuring that all operations align with the DSHS contract obligations and program operating procedures for surveillance and public health follow-up activities.

The City of Houston Health Department will also continue to work closely with the DSHS to request technical assistance and accept any recommended training to improve performance. In addition, the City of Houston Health Department will continue to work collaboratively with the DSHS to ensure Bureau staff have access to timely progress reports, discuss the addition of built-in hard-stops in THISIS to limit data entry errors, and discuss receiving access to data tables in THISIS for Bureau Analysts to calculate performance measures and outcomes.

## Responsible Managers

Assistant Director

Deputy Assistant Director

STD Field Services Manager

Quality Assurance and Special Projects Manager

## Target Implementation Date

June 9, 2022

## Recommendation 1b

The City of Houston Health Department should implement initiatives to improve performance.

## Management Response

### Action Plan

The City of Houston Health Department is dedicated to improving health outcomes and preventing the spread of HIV, viral hepatitis, and sexually transmitted infections. The City of Houston Health Department will ensure improvement of performance, as measured by objectives developed by the DSHS, through enhancing operational efficiencies and quality assurance activities, filling vacant positions, and increasing local capacity to monitor, process, track, and analyze data for disease exposure events, treatment, and follow-up.

The City of Houston Health Department will improve operational efficiencies and quality assurance activities conducted by the STD Field Services Program by:

- Reinstating quarterly quality assurance and quality improvement training for frontline Disease Intervention Specialist Supervisors, Disease Intervention Specialists, and all field operations staff.
- Conducting monthly meetings to discuss observed quality assurance issues identified by the Bureau Quality Assurance team with field operations staff.



- Conducting monthly meetings with the DSHS to alert them of identified issues with THISIS and discuss needed solutions.
- Continuing to work with the DSHS to increase the timeliness of surveillance activities by ensuring that all imported labs into THISIS appear in the correct assignment tasks, case assignments and workflows.
- Conducting monthly assessments by Disease Intervention Specialist Supervisors to monitor why Disease Intervention Specialists are not receiving partner information from patients diagnosed with HIV and STDs. The Disease Intervention Specialist Supervisors will review Disease Intervention Specialist skills such as the ability to relate to clients based on factors including age, gender, and /or sexual orientation. The Bureau will utilize this information to identify barriers and develop potential solutions.
- Conducting quarterly assessments by Field Operations Management to monitor progress towards performance measures.

The Bureau will hire additional Disease Intervention Specialist Supervisors, Disease Intervention Specialists, and field operations staff to improve performance capacity. To an effort to accomplish this goal, the Bureau has participated in the City of Houston Job Fair open to internal and external candidates (June 22, 2022) and the City of Houston Health Department's Job Fairs open to internal candidates (July 25, 2022, July 28, 2022, and July 30, 2022). The Bureau will continue to perform recruitment activities to fill all vacancies.

THISIS, as mentioned in the audit report, does lack some essential functionality. To work through this limiting factor, the Bureau, in partnership with City of Houston Health Department Information Technology, will pursue the development of a local database to record public health follow-up and track grant performance activities. This will provide the program the ability to monitor internal controls and performance in a timely manner for compliance, remove our dependency on THISIS, and provide a more efficient and self-sustaining solution.

**Responsible Managers**

Assistant Director

Deputy Assistant Director

STD Field Services Manager

Quality Assurance and Special Projects Manager

**Target Implementation Date**

August 1, 2022

## Chapter 2: The City of Houston Health Department Did Not Always Meet Grant Agreement Financial Requirements

The City of Houston Health Department did not always meet financial expenditure requirements. For 18 of 30 (60.0 percent) transactions tested, totaling \$503,980, the City of Houston Health Department did not provide sufficient documentation to support that the associated expenses were incurred exclusively for grant activities performed during the respective grant years. For example, while purchased items included testing kits, centrifuges, monitors, and other clinical supplies, the City of Houston Health Department was unable to provide evidence that these purchased items were used exclusively for the STD/HIV Prevention Services Grant Program as required by its grant agreement. Table 4 details the number and value of the identified transactions by grant year.

**Table 4: Insufficiently Supported Transactions by Grant Year**

Grant Year	Number of Transactions	Sum of Transactions
2019	7	\$137,016
2020	7	174,615
2021	4	192,349
<b>Total</b>	<b>18</b>	<b>\$503,980</b>

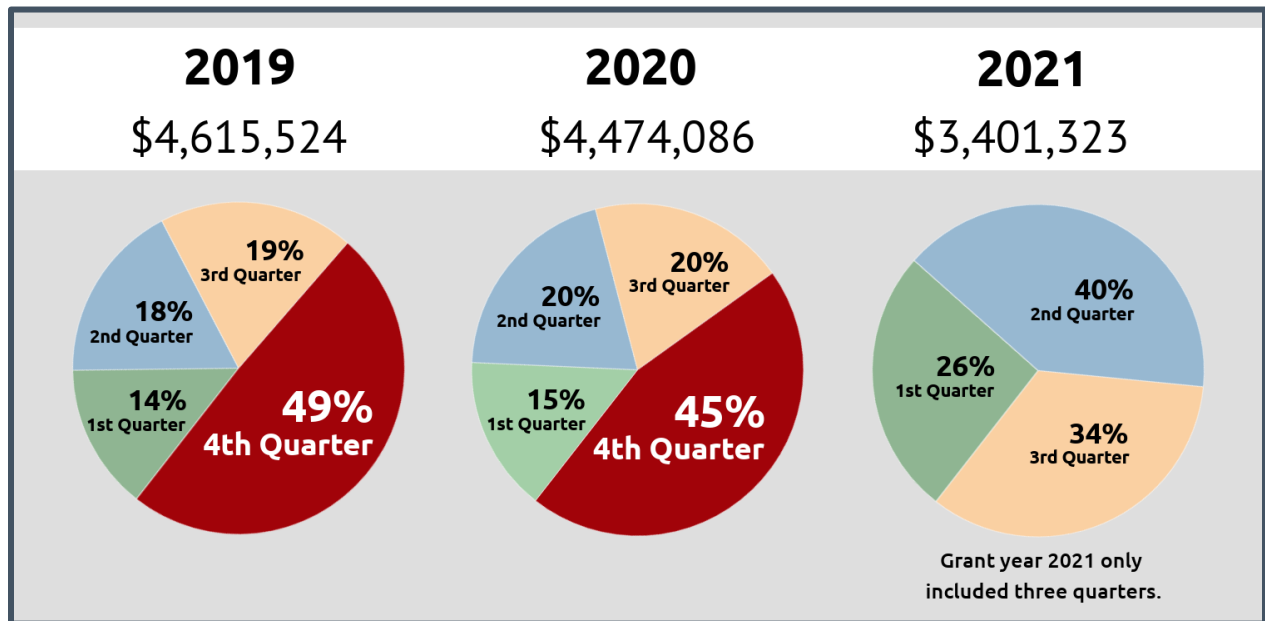
Source: OIG Audit

As a part of a standard internal business practice, the City of Houston Health Department purchased three months of supplies at the end of each grant year. As a result of this practice, the City of Houston Health Department spent a disproportionate amount of their 2019 and 2020 grant agreement budgets during the fourth quarters of each year. While the STD/HIV Prevention Services Grant Program agreement has been in place for multiple years, each year was awarded separately, and the grant agreement requirements specify that costs

must be incurred in performing grant activities during the approved budget period to be eligible for reimbursement.<sup>17</sup>

Figure 4 illustrates the City of Houston Health Department’s grant expenditure percentages by quarter for each grant year.

**Figure 4: The City of Houston Health Department’s Grant Expenditure Percentages by Grant Year<sup>18</sup>**



Source: OIG Audit

Additionally, the City of Houston Health Department did not always sufficiently support the salaries it charged to the STD/HIV Prevention Services Grant Program. OIG Audit tested 2019 payroll expenses for 40 employees,<sup>19</sup> totaling \$79,913, and noted the expenses (a) were based on scheduled work hours and

<sup>17</sup> Sexually Transmitted Disease/Human Immunodeficiency Virus (STD/HIV) Contract, Contract #HHS000309100001 (Jan. 1, 2019), as amended.

<sup>18</sup> In 2021, DSHS changed the grant agreement year from a calendar year basis to match the state fiscal year. As a result, the 2021 grant agreement year only covered the eight months from January 1, 2021, through August 31, 2021.

<sup>19</sup> Auditors tested all employees with direct time charged to the STD/HIV Prevention Services Grant Program for the pay period covering November 16, 2019, through November 29, 2019.

(b) did not include required certifications.<sup>20</sup> In 2020, DSHS completed a fiscal monitoring review at the City of Houston Health Department, which identified the same issue. In response to the review, the City of Houston implemented a new process. The City of Houston Health Department provided required documentation for selected payroll expenses charged to the grant program for 43 employees in 2020 and 2021.<sup>21</sup>

## **Recommendation 2a**

The City of Houston Health Department should ensure it has processes and controls in place to limit grant expenditures to allowable grant activities for the STD/HIV Prevention Services Grant Program.

### **Management Response**

#### **Action Plan**

The City of Houston Health Department utilized the HHSC Uniform Terms and Conditions – Grant Version 2.15 (published and effective September 01, 2017) attached to the 2019 STD contract (HHS000309100001). The uniform terms and conditions did not specify the timeline in which supplies should be purchased. However, the City of Houston Health Department ensured that the use of funds was within the provision and approved services to better serve communities. In May of 2022, the City of Houston Health Department received documentation from the DSHS, which approved the use of supplies purchased in one budget year to be used in the next within a reasonable period.

To ensure that proper processes and controls are in place, the City of Houston Health Department will meet with the DSHS to obtain further guidance on documentation needed for costs incurred when performing grant activities. Annual spending will be adjusted to ensure large purchases are made no later than the second quarter of the grant period and materials are utilized

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<sup>20</sup> Texas Comptroller of Public Accounts, *Uniform Grant Management Standards*, § II, Attachment B(11) (June 2004).

<sup>21</sup> Auditors tested all employees with direct time charged to the STD/HIV Prevention Services Grant Program for the pay periods covering November 14, 2020, through November 27, 2020, and July 24, 2021, through August 6, 2021. Specifically, auditors tested payroll expenses for 36 employees in 2020 and 38 employees in 2021, representing a total of 43 unique employees tested.

specifically for the STD program. The Bureau Program Managers and Analysts will monitor grant expenditures and conduct quarterly reviews. It is also important to note, that the contract term included in the amendment issued by the DSHS extended the contract term from January 1, 2019 through August 31, 2022.

### Responsible Managers

Assistant Director  
Deputy Assistant Director  
Bureau Chief  
Office of Program Support Division Manager  
Grants Division Manager

### Target Implementation Date

August 1, 2022

## Auditor Comment

The HHSC Uniform Terms and Conditions requires cost be incurred in performing the project within the applicable term prior to claiming reimbursement.<sup>22</sup>

Further, while DSHS provided guidance in May 2022, the guidance did not contradict the HHSC Uniform Terms and Conditions requirements for allowable costs. DSHS guidance indicated consumable supplies could be used in the following grant period but did not grant permission to spend funds with the specific intent of purchasing supplies in advance for use in the next grant period. The DSHS guidance also cautioned against purchasing supplies during the last month of the period.

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<sup>22</sup> Texas HHSC, *Uniform Terms and Conditions–Grant*, Article IV, § 4.01, v. 2.15 (Sept. 1, 2017), and § 4.1, v. 2.16 (Feb. 1, 2019) through v. 3.0 (Aug. 2021).

## **Recommendation 2b**

The City of Houston Health Department should continue to ensure it has processes and controls in place to verify salaries charged to the STD/HIV Prevention Services Grant Program are appropriate and supported with required documentation.

### **Management Response**

#### **Action Plan**

The City of Houston Health Department will continue to ensure that process and control measures for salaries charged to the STD/HIV Prevention Services Grant Program remain in place. We are committed to improving our processes' efficiencies, reducing errors, and ensuring compliance. In addition, we are working with the City Houston Information Technology department to procure an upgrade to the current KRONOS time-keeping system for grants that comply with 2CRF200.

#### **Responsible Managers**

Assistant Director  
Deputy Assistant Director  
Bureau Chief  
Office of Program Support Division Manager  
Grants Division Manager

#### **Target Implementation Date**

December 16, 2019



## Chapter 3: The City of Houston Health Department Did Not Comply with Some Security and Confidentiality Requirements

The City of Houston Health Department did not comply with selected security and confidentiality requirements for confidential STD/HIV data. While the City of Houston Health Department has certain confidentiality and security processes in place, those processes did not ensure:

- Access to systems and information was appropriate.
- Required documentation was maintained.

The City of Houston Health Department is required to (a) ensure access to confidential data is appropriate and (b) maintain documentation of grant personnel with access to confidential information.<sup>23</sup>

Inappropriate access to confidential STD/HIV data increases the risk for misuse or unauthorized disclosure of federally protected personal health information.

Pursuant to Standard 9.61 of *Government Auditing Standards* issued by the Comptroller General of the United States, certain information was omitted from this report because the information was deemed to present potential risks related to public safety, security, or the disclosure of private or confidential data. Under the provisions of Texas Government Code Section 552.139, the omitted information is also exempt from the requirements of the Texas Public Information Act.

Details of this issue were communicated separately to the City of Houston Health Department in writing.

### Recommendation 3

The City of Houston Health Department should strengthen its security and confidentiality controls for STD/HIV data.

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<sup>23</sup> Sexually Transmitted Disease/Human Immunodeficiency Virus (STD/HIV) Contract, Contract #HHS000309100001 (Jan. 1, 2019), as amended.

## Management Response

### Action Plan

The City of Houston Health Department is strongly committed to strengthening our security and confidentiality controls and has made progress in this effort.

- We will update existing policies and procedures to ensure all DSHS data system access documentation is maintained electronically.
- Standard operating procedures and processes will be drafted and in place to ensure data system access is monitored monthly, and all requests (access, renewal, deactivation) will be processed by the Local Responsible Party designees and the Security and Confidentiality Staff Analyst.
- All monitoring activity will be reported to the City of Houston Health Department Security & Confidentiality Committee, a subcommittee of the City of Houston Health Department Quality Council, which monitors performance at the department level.
- The Security and Confidentiality Staff Analyst will provide monthly security and confidentiality trainings/updates at the monthly Bureau meetings for all staff and will address procedures for access, renewal, and deactivation for DSHS data systems, minimum use policy, and any other identified security and confidentiality issues of concern.

### Responsible Managers

Assistant Director

Deputy Assistant Director

Staff Analyst

### Target Implementation Date

June 8, 2022

## Appendix A: Objective, Scope, and Criteria

### Objective and Scope

The audit objective was to determine whether the City of Houston Health Department had processes and controls in place to ensure it administered the STD/HIV Prevention Services Grant Program in accordance with selected grant agreement requirements for performance, data management, reporting, and grant expenditures.

The audit scope covered the period from January 1, 2019, through August 31, 2021. The audit included a review of the City of Houston Health Department's internal controls as well as testing of controls that were significant within the context of the audit objective.

### Criteria

OIG Audit used the following criteria to evaluate the information provided:

- 2 C.F.R. §§ 200 (2020) and 225 (2005)
- Sexually Transmitted Disease/Human Immunodeficiency Virus (STD/HIV) Contract, Contract #HHS000309100001 (2019), as amended.
- Texas Comptroller of Public Accounts, *Uniform Grant Management Standards* (2004)
- Texas HHSC, *Uniform Terms and Conditions–Grant*, v. 2.15 (2017) through v. 3.0 (2021)
- Texas DSHS, *Program Operating Procedures and Standards*, §§ 8.3.3, 8.4.1, and 8.14 (2014)

## Appendix B: Detailed Methodology

OIG Audit issued an engagement letter to the City of Houston Health Department on October 19, 2021, providing information about the upcoming audit, and conducted fieldwork from October 19, 2021, through May 27, 2022. OIG Audit conducted a site visit on December 15, 2021.

To accomplish the audit objectives, auditors (a) conducted interviews with City of Houston Health Department management and staff and (b) reviewed supporting documentation, including but not limited to:

- City of Houston Health Department policies, procedures, and processes governing the STD/HIV Prevention Services Grant Program.
- STD/HIV Prevention Services Grant Program objectives and performance measure calculations.
- Workbooks and reports containing general ledger data and calculations supporting the financial status reports.
- Evidence of key security and confidentiality controls related to physical access, information system access, and security documentation.

To perform testing of the validity, accuracy, and allowability of costs included in the financial status reports, OIG Audit selected a non-statistical, risk-based sample of transactions for detailed testing. These sample designs were chosen to address specific risk factors identified in the populations. The sample items were not necessarily representative of the population; therefore, it would not be appropriate to project the test results to the population.

To determine if salaries charged to the STD/HIV Prevention Services Grant Program were supported, OIG Audit (a) reconciled financial status reports, monthly invoices, and general ledger transactions; (b) judgmentally selected one pay period per year; (c) reconciled the selected period's expense in the payroll subledger and general ledger; (d) ensured selected timesheets supported the recorded expense and included the required certification; and (e) reviewed THISIS access, confidentiality agreements, and organization charts to support that the expense was related to the STD/HIV Prevention Services Program.

OIG Audit also reviewed the City of Houston Health Department’s system of internal controls, including components of internal control,<sup>24</sup> within the context of the audit objectives.

### **Data Reliability**

To assess the reliability of data used by DSHS to calculate program objectives, auditors (a) analyzed the data sets and query language for reasonableness and completeness, (b) reviewed related documentation, and (c) worked closely with DSHS officials to gain an understanding of the system. Auditors determined the data was of undetermined reliability; however, THISIS data was the best source of data available for the purpose of the audit.

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<sup>24</sup> For more information on the components of internal control, see the United States Government Accountability Office’s *Standards for Internal Control in the Federal Government*, (Sept. 2014), <https://www.gao.gov/assets/gao-14-704g.pdf> (accessed Apr. 16, 2021).

## Appendix C: Abbreviations

### Abbreviations Used in This Report

CDC	U.S. Centers for Disease Control and Prevention
DSHS	Texas Department of State Health Services
HHS	Texas Health and Human Services
HHSC	Texas Health and Human Services Commission
HIV	Human immunodeficiency virus
HIV/AIDS	Human immunodeficiency virus/acquired immunodeficiency syndrome
OIG	Office of Inspector General
OIG Audit	OIG Audit and Inspections Division
STD	Sexually transmitted disease
STD/HIV	Sexually transmitted disease/human immunodeficiency virus
THISIS	TB, HIV, STD Integrated System

## Appendix D: Related Reports

- The Sexually Transmitted Disease/Human Immunodeficiency Virus (STD/HIV) Prevention Services Grant Program: Dallas County Health and Human Services, [AUD-22-017](#), August 2, 2022
- The Sexually Transmitted Disease/Human Immunodeficiency Virus (STD/HIV) Prevention Services Grant Program: San Antonio Metropolitan Health District, [AUD-22-014](#), July 15, 2022



## Appendix E: Resources for Additional Information

The following resources provide additional information about the topics covered in this report.

### **For more information on the DSHS HIV/STD Program:**

"HIV/STD Program," Texas Department of State Health Services,  
<https://www.dshs.texas.gov/hivstd/> (accessed Apr. 29, 2022)

### **For more information on the Strengthening STD Prevention and Control for Health Departments program:**

"NOFO: PS19-1901 Strengthening STD Prevention and Control for Health Departments (STD PCHD)," U.S. Centers for Disease Control and Prevention,  
<https://www.cdc.gov/std/funding/pchd/default.htm> (accessed May 2, 2022)

### **For more information on the CDC National Center for HIV, Viral Hepatitis, STD, and TB Prevention:**

"National Center for HIV, Viral Hepatitis, STD, and TV Prevention," U.S. Centers for Disease Control and Prevention, <https://www.cdc.gov/nchhstp/default.htm> (accessed Apr. 29, 2022)

### **For more information on the City of Houston Health Department:**

Homepage, Houston Health Department,  
<https://www.houstontx.gov/health/> (accessed Mar. 3, 2022)

### **For more information on DSHS:**

Homepage, Texas Department of State Health Services,  
<https://www.dshs.texas.gov/> (accessed Mar. 15, 2022)

## Appendix F: Report Team and Distribution

### Report Team

OIG staff members who contributed to this audit report include:

- Kacy J. VerColen, CPA, Deputy Inspector General of Audit and Inspections
- Parsons Townsend, CIA, CFE, CGAP, CCEP, Audit Director
- Tammie Wells, CIA, CFE, Audit Director
- Sarah Corinne Warfel, CPA, CISA, Audit Director
- Leia Villaret, CGAP, Senior Auditor
- Eniola Bankole, Staff Auditor
- Larry Sapiuha, Staff Auditor
- Amanda Holton, Associate Auditor
- Jim Hicks, CISA, Quality Assurance Reviewer
- Brad Etnyre, CIA, CGAP, Quality Assurance Reviewer
- Ashley Rains, CFE, Senior Audit Operations Analyst

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## Department of State Health Services

- Dr. John William Hellerstedt, Commissioner
- Kirk Cole, Deputy Commissioner
- Imelda Garcia, Associate Commissioner of Laboratory and Infectious Disease Services
- Monica Gamez, Deputy Associate Commissioner, Laboratory and Infectious Disease Services
- Josh Hutchison, Interim, TB/HIV/STD Section Director

## The City of Houston Health Department

- Stephen L. Williams, Health Director
- Naomi Macias, Assistant Director
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- Shameka Marshall, Office of Program Support Division Manager
- Natalee Mallapuram, Grants Division Manager
- Cynthia Johnson, STD Field Services Manager
- Lupita Thornton, Quality Assurance and Special Projects Manager
- Michelle Carr, Staff Analyst

## Appendix G: OIG Mission, Leadership, and Contact Information

The mission of OIG is to prevent, detect, and deter fraud, waste, and abuse through the audit, investigation, and inspection of federal and state taxpayer dollars used in the provision and delivery of health and human services in Texas. The senior leadership guiding the fulfillment of OIG's mission and statutory responsibility includes:

- Sylvia Hernandez Kauffman, Inspector General
- Audrey O'Neill, Principal Deputy Inspector General, Chief of Audit and Inspections
- Susan Biles, Chief of Staff, Chief of Policy and Performance
- Erik Cary, Chief Counsel
- Christine Maldonado, Chief of Operations and Workforce Leadership
- Steve Johnson, Chief of Investigations and Reviews

### To Obtain Copies of OIG Reports

- OIG website: [ReportTexasFraud.com](http://ReportTexasFraud.com)

### To Report Fraud, Waste, and Abuse in Texas HHS Programs

- Online: <https://oig.hhs.texas.gov/report-fraud-waste-or-abuse>
- Phone: 1-800-436-6184

### To Contact OIG

- Email: [OIGCommunications@hhs.texas.gov](mailto:OIGCommunications@hhs.texas.gov)
- Mail: Texas Health and Human Services  
Office of Inspector General  
P.O. Box 85200  
Austin, Texas 78708-5200
- Phone: 512-491-2000