



A Legislative Summary Document Regarding Commission on Alcohol and Drug Abuse

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The Commission on Alcohol and Drug Abuse (Agency) has made significant improvement in its contract management.

We could not certify any of the five fiscal year 2000 performance measures we tested at the Agency.

In fiscal year 2001, the Agency did not fully comply with federal level of effort requirements. Specifically, it lacked controls to collect information necessary to identify expenditures for substance abuse treatment for pregnant women, women with dependent children, and women seeking custody of their children.

The Agency has completed the Behavioral Health Integrated Provider System (BHIPS) at a total cost of \$1,872,198. BHIPS is a Web-enabled management information system that supports case management through a data system that is accessible to all providers in healthcare networks.

Prepared for the 78th Legislature
by the State Auditor's Office

January 2003

SAO No. 03-317

This is not an audit report and, with the exception of any audit report summaries, the material in this document has not been subjected to all of the tests and confirmations performed in an audit.

Commission on Alcohol and Drug Abuse

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Key Findings from Previous Audits and Reviews

January 1, 2001–December 31, 2002

A Follow-up Audit Report on Contract Management at the Commission on Alcohol and Drug Abuse

(Report No. 02-068, August 2002)

The Commission on Alcohol and Drug Abuse (Agency) has made significant improvement in contract management since the release of the December 2000 State Auditor's Office (SAO) report (*An Audit Report on Contract Management at the Commission on Alcohol and Drug Abuse*, Report No. 01-012). We commend the Agency's actions to create a culture of accountability. However, one area that still needs improvement is capacity management (a system for monitoring available beds and slots in Agency-funded treatment programs). The Agency continues to implement additional improvements for contractor selection. These improvements are scheduled to be completed in time for the fiscal year 2004 contracting cycle. The Agency's improved contract management processes provide increased assurance that state funds are appropriately spent to provide substance abuse treatment services.

Status of Audit Recommendations as of November 30, 2002

No status is reported at this time to allow the Agency sufficient time to address recommendations in this recently released report.

The Agency has fully implemented the recommendations in 15 of the 17 issue areas identified in the December 2000 report. The status of all 17 issue areas was audited by the SAO, the Agency's Internal Audit department (Internal Audit), or KPMG, LLP. The SAO audited the implementation status of five issue areas. Internal Audit's work covered a majority of the issue areas from the prior SAO report. We reviewed Internal Audit's work and agreed with its conclusions. KPMG LLP conducted the fiscal year 2001 federal statewide single audit. The SAO considered the results of the single audit in determining the implementation status of audit recommendations.

State of Texas Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2001¹

(February 2002)

Level of Effort—Maintenance of Effort: Block Grants for Prevention and Treatment of Substance Abuse

(Prior audit issue in Single Audit report for fiscal year 2000)

The Commission on Alcohol and Drug Abuse (Agency) did not have controls in place to collect the information necessary to identify expenditures for substance abuse treatment for pregnant women, women with dependent children, and women seeking the custody of their children (priority population). However, as of August 31, 2001, the Agency was in compliance with this requirement.

Status of Audit Recommendations as of November 30, 2002

KPMG LLP will report on the status of these recommendations in the federal portion of the statewide single audit for fiscal year 2002. This report is expected to be released in Spring 2003.

Collecting expenditure information by category is important because the Block Grant for Prevention and Treatment of Substance Abuse program requires that the State maintain expenditures at not less than the calculated fiscal year 1994 base amount for substance abuse treatment services for pregnant women and women with dependent children. The Agency reported the fiscal year 1994 base amount in the State's fiscal year 1995 application.

¹ Results from only the most recent statewide single audit are included in this Legislative Summary Document. KPMG LLP conducted the federal portion of that audit under contract with the State Auditor's Office. Only excerpts from the KPMG audit report are presented above. For the full text of the KPMG audit report, please see www.sao.state.tx.us/Reports/report.cfm?report=2002/02-345.

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Most Recent Performance Measure Certification

Fiscal Year 1998–Fiscal Year 2003

The results of *An Audit on Performance Measures at 12 State Entities–Fiscal Year 2001* (Report No. 01-036, August 2001) for this entity are summarized below:

Period	Goal/Strategy	Measure	Certification Results	
2000	A	Services Distribution	Percent of Youth Completing Treatment Programs Who Report They Are Abstinent When Contacted Following Discharge	Factors Prevented Certification
2000	A.1.1	Prevention Services	Number of Youth Served in Prevention Programs	Inaccurate
2001 Q1	A.1.1	Prevention Services	Number of Youth Served in Prevention Programs	Inaccurate
2000	A.1.1	Prevention Services	Average Cost per Youth for Prevention Services	Factors Prevented Certification
2001 Q1	A.1.1	Prevention Services	Average Cost per Youth for Prevention Services	Factors Prevented Certification
2000	A.1.3	Treatment Services	Percent of Youth Completing Treatment Programs	Factors Prevented Certification
2001 Q1	A.1.3	Treatment Services	Percent of Youth Completing Treatment Programs	Factors Prevented Certification
2000	A.1.3	Treatment Services	Average Cost per Youth Served in Treatment Programs	Factors Prevented Certification
2001 Q1	A.1.3	Treatment Services	Average Cost per Youth Served in Treatment Programs	Factors Prevented Certification
Total Measures Certified Without Qualification^a			0/9 (0%)	
Data Reliability Percentage (Certified and Certified with Qualification)			0/9 (0%)	
^a The percentage of unqualified certifications is presented because it is used in determining an entity's eligibility for performance rewards as established in the General Appropriations Act [77th Legislature, Article IX, Sec. 6.31(d)(2)].				

Category	Definition
Certified	Reported performance is accurate within +/-5 percent, and controls appear adequate to ensure accurate collection and reporting of performance data.
Certified with Qualification	Reported performance is within +/-5 percent, but the controls over data collection and reporting are not adequate to ensure the continued accuracy of performance data.
Factors Prevented Certification	Actual performance cannot be determined because of inadequate controls and insufficient documentation.
Inaccurate	Reported performance is not within +/-5 percent of actual performance, or there is an error rate of at least 5 percent in the supporting documentation.
Not Applicable	A justifiable reason exists for not reporting performance.

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Quality Assurance Team Reviews

Conducted by the Legislative Budget Board and State Auditor's Office

Completed Projects

Quality Assurance Team Annual Report – January 2002

The Agency completed the Behavioral Health Integrated Provider System (BHIPS) at a total cost of \$1,872,198. BHIPS is a Web-enabled management information system that supports case management through a data system that is accessible to all providers in health-care networks.

Information System Vulnerability Assessments

The State Auditor's Office (SAO) and/or the Department of Information Resources performed one or more information system vulnerability assessments at the Commission on Alcohol and Drug Abuse between January 2000 and November 2002. Detailed results of this work are confidential under Texas Government Code, Section 2054.077(c). The SAO's Legislative Summary Document titled "Information System Vulnerability Assessments" provides general information about the results of information system vulnerability assessments.

Travel Expenditures

Travel Expenditures by Appropriation Year (unaudited)			
	2000	2001	2002
In-State Travel	\$ 235,805	\$ 249,751	\$ 282,559
Out-of-State Travel	24,493	9,766	13,192
Foreign Travel	0	0	0
Other Travel Costs	(1,986)	0	118
Total Travel Expenditures	\$ 258,312	\$ 259,517	\$ 295,868
Limit on Travel Expenditures (Cap)	405,978	405,978	24,493 ^a
Expenditures in Excess of Cap	\$ 0	\$ 0	\$ 0

^a Caps apply to total travel in appropriation years 2000 and 2001, but caps apply only to out-of-state travel and foreign travel in appropriation year 2002. Caps, calculated by the Comptroller of Public Accounts, have been adjusted for any increases requested by the Agency and approved by the Legislative Budget Board in accordance with the General Appropriations Act.

Source: Uniform Statewide Accounting System (USAS) as of November 30, 2002. Amounts are subject to change as agencies continue to record additional expenditures or adjustments.