
**APPALACHIAN REGIONAL COMMISSION
OFFICE OF INSPECTOR GENERAL
AUDIT OF GRANT AWARD**

**HealthPath Foundation of Ohio
Cincinnati, OH**

**Final Report Number: 20-02
Project Number: OH-19129-302-18
November 21, 2019**

Prepared By:

Bonadio & Co., LLP
Certified Public Accountants

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Appalachian Regional Commission
Office of Inspector General
1666 Connecticut Avenue, N.W.
Washington, D.C. 20009

Bonadio & Co., LLP completed an audit of grant number OH-19129-302-18 awarded by the Appalachian Regional Commission (ARC) to the HealthPath Foundation of Ohio (grantee) for the Appalachian Ohio Oral Health Workforce Initiative project. The audit was performed to assist the Office of Inspector General in carrying out its oversight of ARC grant funds.

The primary objectives of the audit were to determine whether: (1) program funds were managed in accordance with the ARC and Federal grant requirements; (2) grant funds were expended as provided for in the approved grant budget; (3) internal grant guidelines, including program (internal) controls, were appropriate and operating effectively; (4) accounting and reporting requirements were implemented in accordance with generally accepted accounting principles (or other applicable accounting and reporting requirements); (5) the performance measures were met or likely to be met; and (6) matching requirements of the grant were satisfied.

Overall, the grantee's financial management and administrative procedures, including related internal controls, were adequate to manage the funds provided under the ARC grant reviewed. The expenditures tested were supported and considered reasonable. The overall grant performance measures were adequately met or will likely be met by the end of the grant.

Bonadio & Co., LLP appreciated the cooperation and assistance received from the grantee and the ARC staff during the audit.

Bonadio & Co., LLP

432 North Franklin Street, #60
Syracuse, New York 13204
p (315) 476-4004
f (315) 254-2384

www.bonadio.com

TABLE OF CONTENTS

	Page
BACKGROUND	1
OBJECTIVE, SCOPE AND METHODOLOGY	1
SUMMARY OF AUDIT RESULTS	2

BACKGROUND

Bonadio & Co., LLP completed an audit of grant OH-19129-302-18 awarded by the Appalachian Regional Commission (ARC) to the HealthPath Foundation of Ohio (grantee). The audit was conducted at the request of the ARC, Office of Inspector General, to assist the office in its oversight of the ARC grant funds.

The grant provided total funding of \$444,412 including \$293,312 in ARC funds and required a match of \$151,100 in non-ARC funds and was awarded to cover the period February 1, 2018 to January 31, 2020. The grant was initially amended to extend the period of performance to May 31, 2020 but was amended again on October 15, 2019, extending it to June 30, 2021, without requesting additional funding, to allow the program additional time to recruit a second dental resident. There is a severe shortage of dental professionals in Appalachia Ohio counties and in particular rural areas. The objective of the grant is to improve access to affordable high-quality dental care to workers and their families by providing dental services to the underserved in designated areas with shortages of dental health professionals. Plans include establishing community-based clinics using dental residents and students to increase access to dental care. Performance measures include serving 5,000 patients in the five counties. The grantee believes the program will be self-sustaining after the grant ends.

OBJECTIVES, SCOPE, AND METHODOLOGY

The audit objectives were to determine whether: (1) program funds were managed in accordance with the ARC and Federal grant requirements; (2) grant funds were expended as provided for in the approved grant budget; (3) internal grant guidelines, including program (internal) controls, were appropriate and operating effectively; (4) accounting and reporting requirements were implemented in accordance with generally accepted accounting principles (or other applicable accounting and reporting requirements); (5) the performance measures were met or likely to be met; and (6) matching requirements of the grant were satisfied.

We reviewed the documentation provided and interviewed grantee personnel to obtain an overall understanding of the grant activities, the accounting system, and operating procedures. We evaluated grantee administrative procedures and related internal controls to determine whether they were adequate to administer the grant funds. We examined financial and other required reports to determine if they were supported and submitted in accordance with the grant requirements.

We reviewed expenditures of the grant for the period of February 1, 2018 to May 31, 2019. During this period, there were \$229,279 of federal expenditures and \$10,647 of non-federal expenditures charged to the grant. We selected a sample of \$97,503 in federal expenditures for equipment and \$3,005 of non-federal matching expenditures to determine whether the charges were properly supported and allowable.

The criteria used in performing the audit were the ARC grant agreement, the ARC code, other ARC requirements, and 2 CFR Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards". The audit was performed in accordance with the *Government Auditing Standards*. The fieldwork was completed during the period of August 19, 2019 through August 21, 2019. The audit results were discussed with grantee representatives at the conclusion of the on-site visit.

SUMMARY OF AUDIT RESULTS

Overall, the grantee's financial management, administrative procedures and related internal controls were adequate to manage the grant funds received. Based on audit procedures performed, we did not question any costs incurred. Through September 30, 2019, the grantee had expended \$239,925 including \$229,278 of ARC funds and \$10,647 of matching funds. We reviewed documentation showing the grantee created a competitive bid package identifying 11 dental equipment dealers before awarding the bid to one supplier. Although it appears there is an imbalance of funds expended between federal and match expenditures, this is due the nature of the grant. The majority of the expenses to date have been for equipment to establish the clinics totaling \$197,645, which was charged to federal funds. We also observed the equipment at the two clinics, Family Tree Dental, Marietta, OH, and Hopewell Health Center, New Lexington, OH, as well as on-site work at the grantee's office in Cincinnati Ohio and noted the equipment was properly recorded on the inventory listing. Examples of equipment observed include dental chairs, LED lights and other dental instruments. The match will be charged to ongoing training costs and other personnel related costs. The expenses tested were supported and considered reasonable. The grant budget includes \$1,000,000 of program income. No program income had been reported at the time of the audit. We found that the grantee had an adequate process in place for obtaining and recording data related to the goals of the grant. In addition, the records and reports indicated that the tasks required by the grant agreement were generally accomplished or will likely be accomplished.

The grantee deployed two models for training dentists in the counties of Meigs, Perry, Scioto, Vinton and Washington. The first model includes establishing a rotation track program for dental residents and senior dental students in each county. Participants will practice in rural locations during rotations of 3-6 weeks. The second model includes providing treatment under the supervision of two local dentists and supporting the creation of a full-year dental residency placements in two of the participating clinics. The grantee is partnering with NYU-Lutheran Dental Residency Program to introduce residents to working with under-served communities

The outputs and outcomes of the grant were tested by reviewing financial information, internal reports, physical observation and other supporting documentation. In addition, 50% of the students are expected to continue on to practice in a rural setting. As of May 31, 2019, we reviewed supporting documentation indicating that the grantee has created the dental program and 5,627 patients were treated in the two clinics, exceeding the original goal of 5,300 patients over the entire grant period. Progress reports stated that students will begin rotations in June of 2019 at which point matching funds for staff salaries will be expended and additional patients will be served. The grantee expects to meet the remaining goals by June 30, 2021, the end of the grant period. The final report is due within 30 days of the end of the grant period.