

A Report to the  
Chambers  
County  
Commissioners  
Court

County Judge:  
Jimmy Sylvia

Commissioners:  
Jimmy Gore  
Mark Tice  
Gary Nelson  
Billy Combs



# Indigent Health Care

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## BVCAP Grant 2019

Brooke Jacobson

August 24, 2020

Chambers County  
Auditor  
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# CHAMBERS COUNTY AUDITOR

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## **Nature of the Engagement**

The Chambers County Auditor's office has completed an audit of the Brazos Valley Community Action Programs (BVCAP) grant. The audit was conducted for the contract period of January 1, 2019 through December 31, 2019.

The overall objective of this audit was:

Assess and evaluate procedures for the distribution of funds, administration of the BVCAP grant, and implementation of grant requirements outlined in the BVCAP contract and state laws.

The Indigent Health Care department staff (herein referred to as "Grantee") is responsible for maintaining grant records as well as tracking and reporting grant expenditure information to the Brazos Valley Community Action Program.

## **Background**

The BVCAP grant allows local Chambers County residents the opportunity to receive assistance for immediate financial burdens. The Chambers County Commissioner's Court desires to provide, on an emergency basis, for the provision of such supplies and services having a measurable and potentially major impact on poverty in the community.

The grant funds are used for utilities, travel, food, housing, prescriptions and certain medical assistance with permission given by the BVCAP. The amount awarded to each client seeking assistance depends on the required type of aid. Eligible recipients are only those whose income is equal to or less than 125% of Federal Poverty Income Guidelines; these amounts vary depending on the number of residents within the household.

Chambers County was awarded \$25,000.00 in grant funds that were to be spent by December 31, 2019 as outlined in the contract with the BVCAP. Every recipient who is given funds is to provide documentation proving they are a Chambers County resident (e.g., a bill in their name with a Chambers County address), a form of identification, and relevant proof of income. However, if the applicant has no proof of income or residency, they are to fill out a Declaration of Income (DOI) or Declaration of Residency (DOR). The Declaration of Residency should be notarized. All documentation should be stored in a client file.

The amount awarded to each client is at the sole discretion of the Grantee and is dependent on the needs of the individual or family. Once all funds are exhausted, the original grant and any amendments are complete.

## **Audit Scope and Procedures**

The audit performed was to evaluate compliance with requirements set forth in the BVCAP contract and state laws.

The following procedures were used to complete the examination:

- Verify that client files contain required documents with applicable signatures.
- Reconcile client file information with Incode records.
- Compare client file information to the monthly and annual reports submitted by the Grantee.
- Check food voucher receipts to ensure BVCAP grant requirements were met.
- Evaluate if good faith efforts were used when awarding monies to each client.
- Review the BVCAP contract and pertinent state laws and assess compliance.

## **Observations and Findings with Related Recommendations**

During the audit, the following observations were noted:

1. Monthly and Annual Reports to the BVCAP
  - a) Findings:
    - i. BVCAP funds were received in April, thus monthly reports from April 2019 to January 2020 were submitted. One monthly report was not submitted within the specified 10 day time period set forth in the BVCAP contract.
    - ii. The Grantee's monthly report for June included client information that should have been recorded on the May report. The reports for August and September were missing client information.
    - iii. The annual report was submitted on time and all client information within was correct.
  - b) Recommendation:
    - i. The Grantee should verify that client information included in monthly reports submitted to BVCAP is accurate and that the report contains all clients serviced for the specified time period.
2. Client File Documentation
  - a) Findings:
    - i. All DOR forms were notarized.
    - ii. One client failed to provide DOI information for an 18 year old household family member.
  - b) Recommendations:
    - i. Verify that all necessary documents have been collected and filed for each client served.

### 3. Food Voucher Receipts

#### a) Findings:

- i. All client food receipts were on file.
- ii. The Grantee created and implemented an “Assistance Guidelines for Purchase of Groceries” form that all clients receiving food assistance signed and dated acknowledging that the BVCAP program is “designed to help individuals and families who are struggling to put food on the table.” This acknowledgement form asks that recipients make food selections that allow them to receive the most value from their purchase and states that alcohol, tobacco and non-food items are not allowed.

### 4. Good Faith Practices

#### a) Findings:

- i. The Grantee has created a requirement to be used when determining how much to award each client for food based on their household size. The Grantee will award the initial client \$100 for food, then each subsequent household member would add \$20 to the total amount awarded.
- ii. Only one client was not awarded based on this requirement. The client received \$150 for one household member.
- iii. Utility assistance was provided based on the amount required to keep the utilities from being disconnected. If the utility payment was late, the difference was paid. Thus, some bills were partially paid, while others were fully paid.

#### b) Recommendation:

- i. Food voucher funds should remain consistent among clients.

### 5. Audit Requirements

#### a) Findings:

- i. Section 19 of the BVCAP contract states that the Grantee “...shall arrange for a financial and compliance audit of funds received and performances rendered under this contract.” The Grantee received confirmation from the BVCAP that sending a copy of Chambers County’s most current audit of the BVCAP Grant would satisfy the requirement of Section 19 of the BVCAP contract. The 2018 BVCAP Audit, completed by the Auditor’s office was sent to the Brazos Valley Community Action Agency for compliance.

6. Limited Service Area

a) Finding:

- i. The Grantee utilized the Chambers County, Texas and Chambers County Emergency Management Facebook pages as a way to advertise available BVCAP funds to Chambers County residents.

b) Recommendation:

- i. Advertising in the local newspapers would be another effective way to reach a wide demographic of the county population.

**Conclusion**

The Grantee has made significant effort to improve their performance of the activities referred to in the BVCAP Contract. They have implemented a new “Guidelines for Purchase of Groceries” form, award requirements, and have begun advertising available funds to county residents. They have effectively improved efforts to collect proper documentation for each client file. They also preserved all client files for the contract period, provided all requested information, and cooperated during the audit with ease. By implementing the recommendations listed above, the Grantee will further minimize risks and be in compliance with grant requirements. As the audit was not a detailed examination of all transactions, there is a risk that errors or fraud were not detected. Thus, the Grantee retains the responsibility for the accuracy and completeness of the financial information.



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INDIGENT HEALTH CARE**

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September 1, 2020

Re: Response to 2019 BVCA Grant Audit

Thank you for your time and effort to audit our 2019 BVCA Grant funds. At this time, I would like to make a general response to the findings presented in the report. In a position as the new director for this department, I will make every effort to comply and strictly adhere to the guidelines in place for this program.

We have recently implemented new practices and advertised more extensively in an attempt to help more eligible households in all areas of the county.

I feel like we do our best to be consistent with the amount of assistance we provide for each household, dependent on the need they express and the situation they are in at the time of application.

Respectfully,

A handwritten signature in black ink that reads "Landis Moss". The signature is written in a cursive style.

Landis Moss  
Indigent Healthcare Director