

REPORT HIGHLIGHTS



IMMUNIZATION PROGRAM – USE OF TOBACCO SETTLEMENT FUNDS
PERFORMANCE AUDIT, JANUARY 2016

DEPARTMENT OF PUBLIC HEALTH AND
ENVIRONMENT

CONCERN

The Immunization Program within the Department of Public Health and Environment (Department) needs to improve controls over its contracting processes related to the use of tobacco settlement funds to address (1) Immunization Program staff with conflicts of interest, (2) unjustified sole source procurements, and (3) insufficient contract monitoring practices. In addition, there are barriers to the Department's ability to effectively enforce School Entry Immunization requirements.

KEY FACTS AND FINDINGS

- Overall, our audit work related to the Immunization Program's grants indicates that the Department used MSA funds for "immunization and immunization strategies" in accordance with Section 25-4-2301, C.R.S.
- Between 2010 and 2015, three Department staff served on the Board of Directors of a nonprofit immunization coalition (the vendor) with which the Department contracts using MSA funds, creating a conflict of interest.
- The Department's procurement activities related to the vendor did not follow state requirements or Department guidance.
- For the Fiscal Year 2015 contract with the vendor, the Department did not receive all the contract deliverables or include a performance measure in the contract that provided a valid basis for assessing the vendor's performance.
- The Department has limited ability to enforce School Entry Immunization requirements.

BACKGROUND

- The Immunization Program is responsible for administering (1) grants and contracts; (2) federal vaccine distribution programs; (3) the Colorado Immunization Information System, which is a statewide immunization record tracking system; and (4) School Entry Immunization requirements.
- The Immunization Program receives federal funds, state General Funds, Tobacco Master Settlement Agreement (MSA) funds, and tobacco tax funds totaling approximately \$52 million annually, most of which is for the purchase of vaccines for federal programs.
- The Immunization Program has one personal services contract funded with MSA dollars for immunization policy advocacy and public outreach. In Calendar Years 2012 through 2014, more than half of this vendor's total revenue came from Department contracts.
- The Department grants MSA funds to local public health agencies (LPHAs), which resulted in 81 grant contracts with LPHAs in Fiscal Year 2015.
- Statute requires children attending school to be immunized against certain diseases, unless they are exempt, and charges the Department with enforcing these requirements [Section 25-4-901, et seq., C.R.S.].

KEY RECOMMENDATIONS

- Implement stronger conflict of interest policies to help staff identify, disclose, and mitigate conflicts related to contracting for services and hold staff accountable for adhering to the policies by monitoring compliance.
- Implement policies, procedures, or guidance to identify key steps for procurement staff to follow in reviewing sole source justifications and verifying the information included by program staff.
- Improve contract administration by designating one individual as ultimately responsible for ensuring deliverables are received, establishing firm deadlines for receipt of deliverables, and creating valid contract performance measures.

The Department agreed with all recommendations.