



DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL

WASHINGTON, DC 20201



January 10, 2024

TO: Kurt John
Director, Office of Financial Resources
Substance Abuse and Mental Health Services Administration

FROM: /Amy J. Frontz/
Deputy Inspector General for Audit Services

SUBJECT: Independent Attestation Review: *Substance Abuse and Mental Health Services Administration Fiscal Year 2023 Detailed Accounting Report and Budget Formulation Compliance Report for National Drug Control Activities, and Accompanying Required Assertions, A-03-24-00352*

We have reviewed the attached Substance Abuse and Mental Health Services Administration (SAMHSA) Office of National Drug Control Policy (ONDCP) Detailed Accounting Report, which includes the table of Drug Control Obligations, related disclosures, and management's assertions for the fiscal year ended September 30, 2023. We also reviewed the Budget Formulation Compliance Report, which includes budget formulation information for the fiscal year ending September 30, 2025, and the Chief Financial Officer's or accountable senior executive's assertions relating to the budget formulation information.¹ SAMHSA management is responsible for, and submitted, the Detailed Accounting Report and Budget Formulation Compliance Report, which were prepared in accordance with the ONDCP Circular *National Drug Control Program Agency Compliance Reviews*, dated September 9, 2021 (ONDCP Compliance Reviews Circular). We performed this review as required by 21 U.S.C. section 1704(d)(1) and as authorized by 21 U.S.C. section 1703(d)(7) and in compliance with the ONDCP Compliance Reviews Circular.

It is our responsibility to express a conclusion about the reliability of SAMHSA's Detailed Accounting Report for fiscal year 2023, SAMHSA's Budget Formulation Compliance Report for fiscal year 2025, and management's assertions based on our review.

We conducted our review in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements, as described in the U.S. Government Accountability Office publication, *Government Auditing Standards* (April 2021). Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Detailed

¹ Although SAMHSA's Budget Formulation Compliance Report was provided to ONDCP as of fiscal year 2023, the budget figures reflect the fiscal year 2025 funding request.

Accounting Report, Budget Formulation Compliance Report, and management’s assertions for them to be in accordance with the criteria. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than an examination, the objective of which is to obtain reasonable assurance about whether management’s reports and assertions are in accordance with the criteria in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion.

Notwithstanding the limited nature of the engagement, we believe that the review evidence obtained is sufficient in accordance with attestation standards and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

As part of our review, we performed review procedures on SAMHSA’s fiscal year 2023 Detailed Accounting Report and fiscal year 2025 Budget Formulation Compliance Report according to the ONDCP Compliance Reviews Circular’s criteria. We limited our work to inquiries and analytical procedures appropriate for an attestation review. Specifically, we performed procedures for the purpose of expressing a conclusion about the reliability of each of the assertions made in SAMHSA’s reports. Those procedures included reviewing SAMHSA’s drug methodologies and reprogramming or transfer of drug control funds, if applicable. We also performed procedures to determine whether SAMHSA submitted the summer budget timely and whether funding levels represented SAMHSA requests.

Based on our review, we are not aware of any material modifications that should be made to SAMHSA’s Detailed Accounting Report for fiscal year 2023 and SAMHSA’s Budget Formulation Compliance Report for fiscal year 2025 and management’s assertions for them to be in accordance with the ONDCP Compliance Reviews Circular.

SAMHSA’s Detailed Accounting Report and Budget Formulation Compliance Report assertions are included as Attachments A and B.²

Although this report is an unrestricted public document, the information it contains is intended solely for the information and use of Congress, ONDCP, and SAMHSA. It is not intended to be, and should not be, used by anyone other than those specified parties. If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Carla J. Lewis, Assistant Inspector General for Audit Services, at (202) 834-5992 or Carla.Lewis@oig.hhs.gov. Please refer to report number A-03-24-00352 in all correspondence.

Attachments

² Only the Budget Formulation Compliance Report assertions are included in Attachment B since the report contains prospective information.



Substance Abuse and Mental Health
Services Administration

5600 Fishers Lane • Rockville, MD 20857
www.samhsa.gov • 1-877-SAMHSA-7 (1-877-726-4727)



Date: November 29, 2023

To: Director
Office of National Drug Control Policy (ONDCP)

Through: Deputy Assistant Secretary for Finance
Department of Health and Human Services

From: Chief Financial Officer
Substance Abuse and Mental Health Services Administration

Subject: Detailed Accounting Report

In accordance with the requirements of the *ONDCP Circular: National Drug Control Program Agency Compliance Reviews*, dated September 09, 2021, I make the following assertions regarding the attached annual accounting of drug control funds:

Obligations by Budget Decision Unit

I assert that obligations reported by budget decision unit are the actual obligations from SAM HSA's accounting system of record for these budget decision units.

Drug Methodology

I assert that the drug methodology used to calculate obligations of prior-year budgetary resources by function for SAMHSA was reasonable and accurate in accordance with the criteria listed in Section 7a (1) of the Circular. In accordance with these criteria, I have documented/identified data that support the drug methodology, explained and documented other estimation methods (the assumptions for which are subjected to periodic review) and determined that the financial systems supporting the drug methodology yield data that present fairly, in all material respects, aggregate obligations from which drug-related obligation estimates are derived.

(See Exhibit A)

Application of Drug Methodology

I assert that the drug methodology disclosed in Exhibit A was the actual methodology used to generate the table required by Section 7a.

Material Weaknesses or Other Findings

I assert there are no material weaknesses or other findings from previous years reporting.

Methodology Modifications

I assert there are no methodology modifications for reporting drug control resources from previous year's reporting.

Reprogramming or Transfers

I assert there were no reprogramming or transfers from previous year's reporting.

Fund Control Notices

I assert that the data presented are associated with obligations against SAMHSA's operating plan, which complied fully with all ONDCP Budget Circulars.

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John -S
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Kurt E. John -S

Kurt John
Chief Financial Officer

Attachments

- FY 2023 Drug Control Obligations
- FY 2023 Exhibit A –Drug Control Methodology

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION
FY 2023 Drug Control Obligations
(Dollars in millions)

Drug Resources by Decision Unit and Function

Programs of Regional and National Significance (PRNS)

Prevention ¹	\$235.8
Treatment ¹	\$2,141.6
Total, PRNS.....	\$2,377.4
Substance Abuse Prevention and Treatment Block Grant (SABG)	
Prevention ²	\$400.9
Treatment ²	\$1,603.6
Total, SABG	\$2,004.5
Health Surveillance and Program Support (HSPS)	
Prevention ³	\$24.9
Treatment ³	\$99.5
Total, HSPS	\$124.4
Total Funding	\$4,506.3

Drug Resources Personnel Summary

Total Full Time Equivalents (FTEs)⁴ 443

Drug Resources as a Percent of Budget

Total Agency Budget (in billions) \$7.3
Drug Resources Percentage 61.4%

Footnotes:

¹ PRNS obligations reflect direct obligations against SAMHSA budget authority. Reimbursable obligations are not included, as these funds would be reflected in the obligations of the agency providing the reimbursable funds to SAMHSA. Substance Abuse Treatment PRNS obligations include funds provided to SAMHSA from the PHS evaluation fund. Treatment include State Opioid Response Grants.

² Substance Abuse Prevention and Treatment Block Grant obligations include funds provided to SAMHSA from the PHS evaluation fund.

³ HSPS obligations reflect direct obligations against SAMHSA budget authority. Reimbursable obligations are not included, as these funds would be reflected in the obligations of the agency providing the reimbursable funds to SAMHSA. Substance funds to SAMHSA. HSPS obligations include funds provided to SAMHSA from the PHS evaluation fund.

⁴ SAMHSA's FY 2023 final FTE (722) * Drug Resources Percentage (61.4%) = 443 Drug Resources FTE.

Exhibit A

1) Drug Methodology - Actual obligations of drug control budgetary resources are derived from the SAMHSA Unified Financial Management System (UFMS), Program Support Center (PSC), Open - Closed Document Report.

a. **Obligations by Budget Decision Unit** – SAMHSA’s budget decision units have been defined by ONDCP Circular, *Budget Formulation*, dated September 09, 2021. These units are:

- Programs of Regional and National Significance (PRNS)-Prevention (CSAP);
- Programs of Regional and National Significance (PRNS)-Treatment (CSAT);
- Substance Abuse Prevention and Treatment Block Grant-CSAT/CSAP; and
- Health Surveillance and Program Support ¹ – SAMHSA.

Included in this Drug Control Accounting report for FY 2023 are 100 Percent of the actual obligations for these four budget decision units, minus reimbursements. Obligations against funds provided to SAMHSA from the PHS evaluation fund are included.

b. **Obligations by Drug Control Function** – SAMHSA distributes drug control funding into two functions, prevention and treatment:

Prevention: This total reflects the sum of the actual obligations for

- CSAP’s PRNS direct funds, excluding reimbursable authority obligations;
- 20 percent of the actual obligations of the SABG funds, including obligations related to receipt of PHS evaluation funds;
- Of the portion from SAMHSA HSPS funds, including obligations related to receipt of PHS evaluation funds and Prevention and Prevention and Public Health Funds (PPHF), the assumptions are as follows:
 - Public Awareness and Support (PAS) funds were split 50/50 between Substance Abuse (SA) and Mental Health (MH) and 20 percent of the SA portion is considered Prevention;
 - PQIS funds were split between MH and SA, the same percentage split as between the MH and SA appropriations and 20 percent of the SA portion is considered Prevention;
 - Program Support funds were split between MH and SA, the same percentage split as between the MH and SA appropriations and 20 percent of the SA portion is considered Prevention;

¹ The HSPS appropriation funded activities are split between MH and SA as follows: Program Support, Health Surveillance, and Performance and Quality Information Systems (PQIS) are split the same percentage split as between MH and SA appropriations. PAS and Agency-wide are split 50/50 between MH and SA. The subsequent SA amounts are then divided into 20 percent for Prevention and 80 percent for Treatment

- Health Surveillance funds were split between MH and SA, the same percentage split as between the MH and SA appropriations and 20 percent of the SA portion is considered Prevention; and
- Behavioral Health Workforce Data and Development split 50/50 between SA and MH and 20 percent of the SA portion is considered Prevention.

Treatment: This total reflects the sum of the actual obligations for:

- CSAT's PRNS direct funds, excluding reimbursable authority obligations, but including obligations related to receipt of PHS Evaluation funds;
- 80 percent of the actual obligations of the SABG funds, including obligations related to receipt of PHS Evaluation funds; and,
- Of the portion from SAMHSA HSPS funds, including obligations related to receipt of PHS evaluation funds and PPHF, the assumptions are as follows:
 - PAS funds were split 50/50 between SA and MH and 80 percent of the SA portion is considered treatment
 - PQIS funds were split between MH and SA, the same percentage split as between the MH and SA appropriations and 80 percent of the SA portion is considered Treatment;
 - Program Support funds were split between MH and SA, the same percentage split as between the MH and SA appropriations and 80 percent of the SA portion is considered Treatment;
 - Health Surveillance Funds were split between MH and SA, the same percentage split as between the MH and SA appropriations and 80 percent of the SA portion is considered Treatment; and
 - Behavioral Health Workforce Data and Development split 50/50 between SA and MH and 80 percent of the SA portion is considered Treatment.

2) Methodology Modifications

SAMHSA changed its Drug Budget methodology during the development of FY 2024 Congressional Justification and expanded it to be more explicit regarding what is included in the continuum of care, which includes Harm Reduction and Recovery. This new methodology was retroactively applied to budget request tables during the FY 2024 and FY2025 budget formulation process for FY2023.

The bullets points below provides details of the new methodology.

- The State Opioid Response Grant is split 99% to the Treatment function and 1% to the Harm Reduction function.
- The Substance Use Prevention, Treatment, and Recovery Services Block Grant is split 19% to the Prevention function, 70% to the Treatment function, 1% to the Harm Reduction function, and 10% to the Recovery function.
- The Health Surveillance and Program Support Appropriation funded activities are split between Mental Health and Drug Control as follows:
The Drug Abuse Warning Network is allocated fully to Drug Control. Program Support, Health Surveillance and PQIS are proportionally assessed under drug control by determining the proportion of SAMHSA's total budget that covers Mental Health services (the Center for Mental Health Services) and the proportion covering Drug Control-related services (the Center for Substance Use Services and the Center for Substance Use Prevention).
- Public Awareness and Support, Behavioral Health Workforce Data and Development and Data Request and Publication User Fees are assessed at 50% of total appropriated funds are directed toward drug control activities.
- The drug control total for HSPS after these calculations is allocated between Prevention (20%) and Treatment (80%). Within the total for Treatment, HSPS is assessed at 3% toward Harm Reduction and 5% toward Recovery, consistent with the drug control methodology.

3) Material Weaknesses or Other Findings

SAMHSA completed their Annual Statement of Assurance on July 9, 2023, that included the review and evaluation of drug control obligations. As a result of the review, no material weaknesses were identified for the drug control obligations ending September 30, 2023.

4) Reprogramming or Transfers - None

5) Other Disclosures – None.



Substance Abuse and Mental Health
Services Administration

5600 Fishers Lane • Rockville, MD 20857

www.samhsa.gov • 1-877-SAMHSA-7 (1-877-726-4727)



Date: November 29, 2023

To: Director
Office of National Drug Control Policy (ONDCP)

Through: Deputy Assistant Secretary for Finance
Department of Health and Human Services

From: Chief Financial Officer
Substance Abuse and Mental Health Services Administration

Subject: SAMHSA Budget Formulation Compliance Report for FY 2024

In accordance with the requirements of the *ONDCP Circular: National Drug Control Program Agency Compliance Reviews*, dated September 09, 2021, I make the following assertions regarding the attached Budget Formulation Compliance Report:

Timeliness of Summer Budget Submission

I assert that the summer drug budget submitted to ONDCP on August 10, 2023, under the cover letter provided in response to Section 6.a.(1) ONDCP Circular: Budget Formulation, Section 9.a.(1) was provided to ONDCP at the same time as the budget request was submitted to the Department of Health and Human Services (DHHS) in accordance with 21 U.S.C. § 1703(c)(1)(A). (See Exhibit A)

Funding Levels Represent Bureau-Level Request

I assert that the funding request in the submission provided in Section 6.a.(2) of this circular represent the funding levels in the budget submission made by the bureau to the Department without alteration or adjustment by any official at the Department.


Kurt E. John -S
Kurt John
Chief Financial Officer

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Attachment

- Exhibit A- FY 2025 Performance Budget Submission to DHHS
- Exhibit B- FY 2023 Performance Budget Submission to DHHS