



ST. ALBERT'S FAMILY CLINIC AND SERVICES, LLC

PERFORMANCE AUDIT
OCTOBER 1, 2023 - SEPTEMBER 30, 2024



**State of Delaware
Office of Auditor of Accounts**

**Lydia E. York
State Auditor**

March 3, 2026

Dr. Jean Marie Tuete
St. Albert's Family Clinic and Services, LLC
5641 DuPont Highway
Smyrna, DE 19977

Dr. Tuete,

The attached report provides the results of our performance audit of St. Albert's Family Clinic and Services, LLC, with respect to the Prescription Opioid Settlement grant program in accordance with the criteria set forth in Delaware Code, the grant application and grant agreement.

We conducted this performance audit in accordance with Government Auditing Standards as issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This report is intended for the information and use of St. Albert's Family Clinic and Services, LLC, the Prescription Opioid Settlement Distribution Commission and the Office of Auditor of Accounts. Under 29 Del. C. §10002(o), this report is a matter of public record, and its distribution is not limited. This report, as required by statute, will be provided to the Office of the Governor, General Assembly, Office of the Controller General, Office of the Attorney General, and Office of the Management and Budget.

This report can be accessed online through the State Auditor's website at <https://auditor.delaware.gov>.

A handwritten signature in blue ink that reads "Lydia E. York".

Lydia E. York
Auditor of Accounts
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Contents

Audit Objectives 1

Audit Scope 1

Findings 1

Conclusions..... 2

Performance Audit Overview 2

Audit Authority..... 2

Program Overview..... 3

Organization Background..... 4

Audit Methodology and Results 4

Objective 1 5

Objective 2 6

Objective 3 6

Schedule of Findings and Recommendations..... 6

Management Response: 7

Abbreviations:

AOA	Delaware Office of Auditor of Accounts
BHC	Behavioral Health Consortium
DHR	Department of Human Resources
FSF	First State Financials
GAGAS	Generally Accepted Government Auditing Standards
LGC	Local Government Committee
MOUS	Medication for Opioid Use Disorder
NARR	National Association of Recovery Residences
OD	Opioid Use Disorder
POSC	Plan of Self Care
POSDC	Prescription Opioid Settlement Distribution Commission
RFI	Request for Information
SUD	Substance Use Disorder

For further information on this release please contact:

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Audit Objectives

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The objectives established for the performance audit of St. Albert's Family Clinic and Services, LLC (the Organization) were to:

1. Determine whether grant expenditures were consistent and in compliance with Phase 1B of the signed grant agreement (known as the 'Opioid Abatement and Remediation Grant').
2. Determine whether grant expenditures had a demonstrable direct correlation with the related performance measures, scope of work and grant budget as noted in the grant application and signed grant agreement.
3. Determine whether grant expenditures were in compliance with allowable costs and permitted uses of grant funds and that grant reporting deliverables have been met.

Audit Scope

We were engaged to perform this performance audit and conducted our engagement in accordance with the standards applicable to performance audits contained in Government Auditing Standards issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

The period covered by the Performance Audit was October 1, 2023, through September 30, 2024. We sampled and examined transactions from the populations of expenditures and receipts of grant funds for the period from October 1, 2023, through September 30, 2024. In sampling these transactions, we relied on documentation provided by the Organization, the Delaware Department of Justice, the Prescription Opioid Settlement Distribution Commission ('POSDC', 'the Commission') and the State of Delaware's First State Financials (FSF) accounting system.

Findings

The performance audit of St. Albert's Family Clinic, Inc., contained one (1) finding identified during the engagement. The Organization does not maintain sufficient documentation or records to perform testing of the budget details submitted with the grant application and grant agreement. Refer to the Schedule of Findings and Recommendations for details on the identified deficiencies and related recommendations.

Conclusions

Based on the work performed in connection with this performance audit, we concluded the following:

1. That grant expenditures were not consistent or in compliance with Phase 1B of the signed grant agreement, (known as the 'Opioid Abatement and Remediation Grant').
2. That grant expenditures lacked adequate documentation and as a result did not have a demonstrable direct correlation with the related performance measures, scope of work and grant budget as noted in the grant application and signed Grant Agreement.
3. Expenditures were not in compliance with allowable costs and permitted uses of grant funds.

Performance Audit Overview

The United States Government Accountability Office develops and promulgates Government Auditing Standards that provide a framework for performing high-quality audit work with competence, integrity, objectivity, and independence to provide accountability and to help improve government operations and services. These standards are referred to as Generally Accepted Government Auditing Standards (GAGAS).

Performance audits are audits that provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Government programs are subject to many provisions of laws, regulations, contracts, and grant agreements. Auditors identify any provisions of laws, regulations, contracts, and grant agreements that are significant within the context of the audit objectives and assess the risk that noncompliance with provisions of laws, regulations, contracts, and grant agreements could occur. Based on that risk assessment, we have designed and performed procedures to obtain reasonable assurance of detecting instances of noncompliance with provisions of laws, regulations, contracts, and grant agreements that are significant within the context of the audit objectives.

We conducted this performance audit in accordance with the GAGAS applicable to performance audits issued by the Comptroller General of the United States. These standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We are required to be independent of the granting and recipient organizations to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to this performance audit engagement. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Authority

The Auditor of Accounts (AOA) is authorized under 29 Del. C, § 2906(a) to conduct audits of all the financial transactions of all state agencies. 16 Del. C. § 5196B authorizes the Behavioral Health Consortium (BHC) to distribute money in the Prescription Opioid Settlement Fund (POSDC, the Impact Fund) and the Prescription Opioid Impact Fund based on the recommendations of the Prescription Opioid Settlement Distribution Commission by awarding grants. In addition, in accordance with the signed grant agreement "Any entity that applies for and receives ("Recipient") a

grant award or other disbursement of Opioid Funds expressly acknowledges that it is receiving restricted State funds from the Impact Fund established under 16 Del. C. § 4803B and/or the “Settlement Fund” and together with the Impact Fund, the “Opioid Funds” established under 16 Del. C. § 4808B.”

AOA has selected for audit certain grant recipients based on various risk factors. These risk factors include, but are not limited to, constituent referrals, materiality-based selection and random selection. This report has been prepared as part of this performance audit project.

Program Overview

Pharmaceutical manufacturers and distributors have reached a settlement agreement with the State of Delaware, along with a broad coalition of States, to resolve legal claims. The agreements provide for approximately \$50 billion in payments over 18 years to be disbursed to all participating States. Funding will be distributed to States according to the allocation agreements reached among each State’s Attorney’s General. The State of Delaware is expected to receive approximately \$250 million over 18 years. Distribution within Delaware began during the 3rd quarter of 2023 and is administered by the Delaware Behavioral Health Consortium. The distributions are to be used to support a wide variety of strategies to fight the opioid crisis.

On October 14, 2021, Senate Bill 166 was signed into law and created the POSDC and vested it with the responsibility for:

- (a) establishing a coordinated and consensus-driven effort to repair the harm done to communities in Delaware by the opioid crisis and
- (b) making recommendations to the BHC regarding the distribution of money in the Impact Fund established under 16 Del. C. § 4803B and the Prescription Opioid Settlement Fund Settlement Fund established under 16 Del. C. § 4808B.

The POSDC is a subcommittee of the BHC and is charged with providing funding recommendations to the BHC to abate and remediate the Delaware opioid crisis.

The work of the POSDC is supported by its co-chairs and six standing committees:

1. Behavioral Health Resources Committee
2. Budget and Reporting Committee
3. Equity Committee
4. Governance Committee
5. Local Governments Committee
6. Public Outreach and Community Input Committee

The purpose of the POSDC is to abate and remediate the opioid epidemic throughout the State of Delaware through financial support from the Fund in the form of grant awards for efforts to treat, prevent, and reduce opioid use disorder and the misuse of opioids.

Pursuant to the above noted legislation and 16 Del. C. § 5196A, the General Assembly created a Local Government Committee (the “LGC”), which has statutory authority to make recommendations to the Commission regarding the distribution of money from the Impact Fund and the Settlement Fund. The Commission, with the recommendation of the LGC, approved grants to 78 non-profit and governmental organizations in 2 phases, totaling \$13,006,135 (Phase 1A: \$3,656,039 & Phase 1B: \$9,350,096, respectively).

The Impact Fund and each respective grant award was meant to increase access to treatment, reduce unmet treatment needs and reduce opioid overdose related deaths by providing prevention, treatment and recovery activities for ‘Opioid Use Disorder’ (OUD), including prescription opioids and illicit drugs such as heroin.

Grant Agreement – This Performance Audit is prescribed by the ‘Mandatory Terms and Conditions for the Prescription Opioid Impact Fee Fund and Prescription Opioid Settlement Fund’ grant agreement.

Organization Background

The Organization submitted a proposal with plans to fund St. Albert Family Clinic and Services, LLC, an integrated facilities network consisting of the establishment and expansion of the primary care and mental health clinics located at 5641 DuPont Parkway, Smyrna, Delaware. The facilities would offer opioid related treatment plans, educational and social services based on best practice interventions related to opioid abatement and remediation strategies, as well as other non-opioid related programs. The programs offered by these facilities will be available to both youth and adults in the community. Access to the facility and service offerings would be available by appointment.

At this time, the Organization received \$100,000 in Grant 1B funds to renovate and establish an opioid treatment facilities network consisting of a primary care and mental health clinic with a projected program launch date in March 2024.

Audit Methodology and Results

To address the audit objectives of this performance audit, we performed the following procedures:

- A. Planning Phase: The audit relied on various sources of information and methods to properly plan the audit and to obtain an understanding of, and assess processes for the Organization, including the following:
 1. We reviewed the applicable sections of the Federal Prescription Opioid Settlement Distribution legislation to gain an understanding of the legal and policy requirements governing the ‘Prescription Opioid Settlement Distribution’ grants.
 2. We inquired whether there were any previous audits that relate to the objectives of this audit and whether there were findings and recommendations and whether any recommendations have been implemented.

3. We inquired if there were written board minutes for the Organization.
 4. We identified and reviewed contracts, agreements, and other important documents.
 5. We performed risk assessment procedures such as:
 - a. Obtained and documented an understanding of the Organization and its environment and identified risks.
 - b. Completed engagement team discussions, including discussions about the possibility of error or fraud involving opioid grant funds.
 - c. Made inquiries of management and others about risks (including fraud risks, related-party transactions, unusual transactions, and compliance with laws, regulations, contracts, and grant agreements).
 - d. Inquired as to the existence of the Organization's internal control system over grant fund receipts and expenditures.
- B. Performance Assessment: Based on the information gathered, we developed the following risk-based approach of the grant funds with respect to the audit objectives.
1. To determine the compliance of the grant disbursements, we sampled and tested transactions from the population of expenditures from opioid grant funds to determine that the transactions were properly documented, authorized, and properly recorded; that products and services were received; and that the transactions complied with opioid grant requirements.
 2. We sampled and tested transactions from a population of grant disbursements to determine whether the disbursements were consistent and in compliance with Phase 1 of the Prescription Opioid Impact Fee Settlement Fund.
 3. We sampled and tested transactions from a population of grant disbursements to determine whether the disbursements had a demonstrable direct correlation with the expected performance measures, scope of work, and grant agreement and budget.
 4. We compared the grant application and grant agreement to the grant disbursements and reported results to assess whether the grant deliverables had been met with respect to the grant agreement.

Objective 1

Determine whether grant expenditures were consistent and in compliance with Phase 1B of the signed grant agreement (known as the 'Opioid Abatement and Remediation Grant').

Methodology – To assess the Organization's compliance over opioid grant expenditures, we haphazardly selected payroll expense transactions, other expense transactions, and compliance related transactions to assess compliance with the grant requirements.

Results – Testing could not be performed to validate payroll expenditures and testing of other expense transactions was limited. We performed testing on 16 transactions totaling \$28,191 for

other expenses. The Organization was not in compliance because payroll and other expense records were not separately maintained or specifically identified in the information provided.

Objective 2

Determine whether grant expenditures had a demonstrable direct correlation with the related performance measures, scope of work and grant budget as noted in the grant application and signed grant agreement.

Methodology - To determine if each of the 16 expenditures selected for testing had a demonstrable direct correlation with the performance measures and scope of work, we reconciled each transaction to the opioid abatement program and budget, and reviewed supporting documentation. We also compared the purpose of the transaction to the performance measures and scope of work included in the grant agreement. We compared the purpose of the expenditure to the budget categories to determine if the expenditure aligned with the budget categories.

Results – We found that nine (9) of the 16 tested opioid grant expenditure transactions totaling \$28,192 (56%), excluding payroll, had a demonstrable direct correlation with the related performance measures, scope of work, and grant budget, as noted in the grant application and signed grant agreement.

Objective 3

Determine whether grant expenditures were in compliance with allowable costs and permitted uses of grant funds and that grant reporting deliverables have been met.

Methodology - To determine if the tested expenditures were in compliance with allowable costs and permitted uses of the grant, and whether reporting deliverables were met, we compared the signed grant agreement, grant application and each of the periodic status update reports to each grant disbursement to determine if each expenditure was relevant and consistent with Opioid Abatement grant legislation and guidance, and that each status report appeared reasonable considering the amount and nature of each expenditure.

Results – Although we found that the salary and other expenses were permitted by the grant agreement, we were unable to validate the expenditures because there was insufficient documentation to perform testing.

See the Schedule of Findings and Recommendations for details of the findings identified and related recommendations.

Schedule of Findings and Recommendations

There were findings identified as a result of this performance audit of St. Albert’s Family Clinic and Services, LLC:

Finding #1: Grant expenditures were not consistent and/or in compliance with the signed grant agreement (known as the ‘Opioid Abatement and Remediation Grant’).

Criteria: State of Delaware; Office of the Lieutenant Governor; Agreement Governing Distributions of Prescription Opioid Impact Fee Funds and Prescription Opioid Settlement Funds, Audit and Inspection Provision 2(a) and 2(b).

Condition: The Organization is not in compliance with the requirements identified in the grant agreement, as they were unable to provide documentation to support the salary and expense, as detailed in the budget submitted with the grant application and grant agreement.

Cause: Insufficient policies, procedures, or programs to properly record grant-funded salary and expenditures.

Effect: The organization was not in compliance with the general provisions of the grant agreement, which requires the expenditure of grant funds according to the program's proposed budget. We were unable to determine the Organization's extent of providing wrap-around services, which resulted in:

- Risk of Funding Issues: Non-compliance with grant requirements may jeopardize current and future funding opportunities, affecting the organization's ability to sustain and expand its services.
- Accountability Concerns: The absence of documentation raises concerns about accountability and transparency, which are critical for maintaining trust with funders, partners, and the community.

Recommendation: The Organization should develop, implement, and/or enforce administrative and accounting policies and procedures to account for funding allocations related to staff salaries. The Organization should consider implementing organizational operations structures to provide thorough financial recordkeeping and consider the following:

- Develop and follow standardized procedures for documenting and managing records for the Organization's transactions, activities, and deliverables.
- Utilize technology solutions to efficiently maintain and ensure records for transparency and financial accuracy.
- Conduct regular internal reviews of documentation practices to ensure compliance with terms and conditions of signed agreements, identify areas for improvement, and update organizational procedures as necessary.
- Establish oversight mechanisms, such as periodic management reviews and performance metrics, to monitor documentation practices and ensure consistency and compliance.

Management Response:

AOA did not receive a response from the Organization to the findings identified in the audit report.