

*South Carolina Department of Alcohol and Other Drug Abuse Services  
Best Practices*

**Proviso 72.62** of Act 397, also known as the South Carolina Appropriations Act, directs state agencies to report on best practices by September 1 of each year. This report must be placed on each agency's website and be a self-assessment of the agency's use of the best practices listed below during the previous fiscal year. Agencies are encouraged to partner with other agencies for a peer-review process. For each of the best practices, the agency must publicly rate itself as "in compliance," "in progress," or "in non-compliance." State institutions of higher education are exempt from this requirement.

- 1) ***Integration of Planning and Budgeting:*** *The agency employs a multi-year strategic planning process that links the planning process with the annual budget review.*

**DAODAS Response:** The department has in place a multi-year strategic plan that is based on six strategic goals designed to move the agency forward in its mission. The plan relates to many of the best practices supported by Proviso 72.62, including partnerships/collaboration, alternative funding, and accountability. At the end of fiscal year 2006 (FY06), the department had achieved 98% of the action steps for the strategic goals. It is important to note that the department's plan was developed using a team approach, with critical input from each section in the agency, as well as from other stakeholders. In addition, an emphasis is placed on providing quality oversight and accountability for the 33 county alcohol and drug abuse authorities that receive funding through contracts with the department. The strategic planning process is linked to the annual budget review.

**In Compliance**

- 2) ***Internal Audit:*** *The agency utilizes an active internal audit process that includes: (a) programmatic reviews along with fiscal reviews; (b) consistent follow-up on audit findings; and (c) reporting of the internal audit function to the institutional head and/or to the governing board, if applicable. Agencies that cannot afford a separate internal audit staff should use internal reviews that serve the same function as an internal auditor.*

**DAODAS Response:** Overall, the department has followed the policies/procedures and acceptable accounting practices. The department's internal audit process is guided by its established internal policies/procedures to address all aspects of the department's operations, to include purchasing/procurement, contract development, progress on contract deliverables and implementation/results, internal compliance reviews and corrective action to ensure staff/departmental accountability, and managing revenues/expenditures. The department has consistently corrected any findings, as well as notifying the Governor's Office of same.

**In Compliance**

- 3) ***Collaboration and Partnerships:*** *The agency demonstrates financially beneficial collaborative efforts with other public entities in performance of business functions including, as applicable, but not limited to, financial management, energy management, printing and publications, mail service, procurement, warehousing, public safety, security, space utilization, and parking.*

**DAODAS Response:** During FY06, the department demonstrated significant progress in the area of collaboration/partnerships with a number of agencies and organizations. These relationships have resulted in clients shared by multiple systems gaining access to services and improving overall client outcomes. In some of these partnerships, DAODAS has been awarded funding through contracts that afforded the department the opportunity to furnish case managers at the local service-provider level, as well as to develop and implement joint training that equips staff with skills and information to more efficiently and effectively serve the citizen-client. In addition, the department initiates memoranda of agreement with agencies to better meet clients' needs. The department is in compliance and continues to explore new collaborations/partnerships.

In terms of business functions, the department has always demonstrated fiscally beneficial collaborative efforts in financial management, energy management and mail services, not to mention reducing costs to the State in the areas of travel and communications. The department continued its focus on administrative savings and streamlined operations first implemented in January 2003, having saved more than \$2.7 million in personnel, rent and other operating costs (telephone/travel/supplies/supplies) since that time.

#### **In Compliance**

- 4) ***Outsourcing and Privatization:*** *The agency examines opportunities for contracting out various business functions, has performed cost analyses, and has implemented, where economically feasible, cost saving contracts.*

**DAODAS Response:** The department has been effective in outsourcing the certification processes for counselors and prevention professionals. These processes allow counselors and prevention professionals employed by the 33 county authorities – and others – to acquire certification by meeting objective and consistent criteria. The department has also worked with a legal assistance organization to outsource review/approval of the county authorities' legal forms and questions that guide delivery of services to clients. To upgrade client data management, and report development and analysis capacity, the department has forged an important contract with a computer company to operate a web-based management information system. With these efforts, the department will continue to yield costs saving while receiving quality products.

#### **In Compliance**

- 5) ***Process Analysis:*** *The agency makes a critical examination of its business processes in an effort to increase productivity, reduce waste and duplication, and improve the quality of services provided to its internal customers.*

**DAODAS Response:** The department underwent an internal restructuring process in 2004, revamping staff assignments and creating a team approach with managers overseeing day-to-day operations and reporting directly to the department's director. Under the restructuring plan, each manager holds monthly (if not weekly) and as-needed one-on-one meetings with the department's director, thereby fostering direct access to senior management and immediate action on issues/concerns. In addition, each manager serves on the Executive Management Team (EMT) that meets on a weekly basis to review all policy/procedure, contract, accountability, and other issues in response to information, tasks, and assignments executed by frontline staff who are supervised by the managers. Various staff members are designated as team leaders and are responsible as points of contacts for subject matter-specific areas and projects to ensure that assignments do not "fall through the cracks" and are overseen by the appropriate sections and staff. While these changes are early in their implementation, indications are that decisions regarding tasks and assignments are addressed more efficiently and effectively. The department is continuing its efforts to refine policies/procedures to simplify day-to-day interaction and teamwork across divisions that will result in more efficient and effective execution of processes.

#### **In Compliance**

- 6) ***Use of Automation and Technology:*** *The agency uses a long-range plan for improved use of technology to enhance business processes and takes deliberate efforts to implement this technology within budget constraints.*

**DAODAS Response:** DAODAS has strengthened its computer hardware and software to accommodate departmental needs and contracts with the 33 county authorities in the following areas: Health Insurance Portability and Accountability Act (HIPAA) requirements; systems for reporting/tracking data on client outcomes; and direct electronic billing by the county authorities for Medicaid reimbursement of client services. While these areas are constantly changing, it is important to note that DAODAS has been proactive in keeping ahead of state and federal recommendations in these areas and has met deadlines when requirements were established. In addition, the department is implementing a web-based management information system.

#### **In Compliance**

- 7) ***Energy and Other Resource Conservation and Management:*** *The agency uses a plan to conserve energy and other resources and has demonstrated positive results from the plan.*

**DAODAS Response:** The agency has participated in the State recycling program for several years and has been recognized for its success in this area.

**In Compliance**

- 8) ***Preventive and Deferred Maintenance:*** *The agency uses a regular program of preventive maintenance to preserve its physical assets and has developed a plan to address overdue maintenance needs for its facilities.*

**DAODAS Response:** The department leases space in a building that is owned by a private company. The facility's physical plant is maintained by this company, which has a plan for responding to repair and maintenance needs. The department's staff utilizes the company's reporting process to call attention to maintenance and repair needs. The company's response has been prompt, and the owner has been receptive to input/feedback on areas needing improvement and/or upgrades. In addition, the department has activated a Building/Grounds/Safety Team that is responsible for monitoring the physical plant and providing safety-related feedback on all aspects of the department's operations.

The department has also implemented an information technology hardware plan to rotate computers and software out of service when they are deemed outdated.

**In Compliance**

- 9) ***Alternate Revenue Sources:*** *The agency makes substantial efforts to identify and secure alternate revenue sources (excluding categorical grants for specific functions) to supplement funds available from state appropriations.*

**DAODAS Response:** The department established an internal grants team that consists of staff from its Finance, Prevention and Planning, and Treatment sections. The primary purpose of the grants team is to seek and secure alternative funding. In addition, alternative funding is an integral part of the department's strategic plan. The department's ongoing assessment of gaps in substance abuse treatment, intervention, and prevention services, as well as infrastructure planning/evaluation needs across the state, prompted the department to convene staff for this effort. In addition, depletion and reductions in funding through existing resources left limited options. The grants team and other department staff have also assisted a number of the 33 county authorities in identifying and applying for grants and other alternative funding. During FY06, the agency was awarded three grants totaling more than \$2.24 million over three years.

**In Compliance**

**10) External Annual Financial Audit Findings:** *The agency minimizes or avoids all management letter and single audit findings in the annual audit performed or supervised by the State Auditor, especially violations of state law, material weaknesses, and single audit “findings” and “questioned costs.”*

**DAODAS Response:** In all material respects, the department’s financial management was in compliance with the Generally Accepted Accounting Principles, federal grant requirements, state laws, and the State Appropriations Act. Payroll, procurement, accounts payable, financial reporting, audits, and budgets were handled in accordance with all regulations by which they were governed. The department has a renewed focus on improving financial management across the entire statewide service-delivery system. An internal audit and technical assistance team exists to ensure the proper management of all funds awarded to and passed through the department. Increased accountability measures have resulted in direct and indirect cost savings throughout the state. Efforts to secure additional funding streams have led to new grant awards that allow for improved and increased services to the citizens of South Carolina. The agency has demonstrated the ability to properly manage its grant awards, allowing it to pursue funding opportunities that require submission of an audit report. The results of the same audit referenced in the item above also indicated compliance with all requirements.

**In Compliance**

**11) External Review Findings:** *The agency minimizes or avoids all non-compliance findings related to its business practices in external reviews and audits.*

**DAODAS Response:** The department was audited by two of its federal partners, the Center for Substance Abuse Treatment and Center for Substance Abuse Prevention. In both cases, neither issued findings related to business practices.

**In Compliance**

**12) Long Range Capital Plan:** *The institution uses a long range (minimum three to five years) capital improvement plan for major capital requirements for its buildings and has, subject to fund availability, begun implementation of the plan.*

**DAODAS Response:** In April 2005, the department relocated to a new facility as a result of reductions in staff (due mostly to funding cuts and attrition). The long-range capital plan has been achieved and is currently being re-evaluated.

**In Compliance**

**13) Risk Management:** *The agency has an active risk management program in place to minimize its losses.*

**DAODAS Response:** The department maintains a number of systems and processes designed to protect the department’s resources. The department has assigned master keys to designated staff, and access to the facility is controlled by door combinations. In compliance with HIPAA, access to staff or department computer information is controlled by passwords. Doors to offices that contain

sensitive information are controlled by lock and key. Appropriate contents of each office have been assigned inventory-tracking numbers.

In addition, the department closely follows appropriate accounting requirements to ensure that accounting functions are separated and monitored.

Policies/procedures and forms are in place that emphasize to staff the “who, what, when, why and how much” of each transaction. When problems arise, staff members are required to document justifications and other corrective actions as appropriate. In addition, the department’s personnel policies/procedures are clear on the course of action that will be taken in the event of inappropriate staff activities.

### **In Compliance**