

Management Advisory 2003 – 6

To: Dwight E. Brock Clerk of the Circuit Court
From: Patrick Blaney Internal Audit Director
CC: EMS, Internal Audit File
Date: August 25, 2003
Re: Emergency Medical Services County Grant Expenditures

Emergency Medical Services County Grant Expenditures

BACKGROUND

Emergency Medical Services (EMS), a department of the Public Services Division, provides paramedic emergency care to Naples & Collier County under the direction of the Board of County Commissioners, and in compliance with chapter 401, Florida Statutes. The EMS Department's mission is to provide world-class patient care and service to the community efficiently and cost-effectively.

The Florida EMS County Grant Program, referred to locally as the "100% grant," provides Collier County with money to improve and expand prehospital emergency medical services. Chapter 401, Florida Statutes, authorizes the Florida Department of Health to dispense these grants, and to adopt rules to administer the program. While the statute places some limits on the use of such moneys, it has no language to allow the state to demand the return of these moneys. In the event of disallowed expenditures, the State's only apparent recourse is to direct a "100% grant" recipient to replenish the misspent grant moneys. The January 1998 "Florida EMS County Grant Program Manual" contains the Department of Health's conditions and requirements for grantees that are relevant to the period under examination.

OBJECTIVE & SCOPE

The specific objective of this examination was to determine whether expenditures of EMS County Grant ("100% grant") proceeds complied with applicable grant conditions and state law. The scope of this advisory was limited to sampling expenditures incurred during fiscal year 2002.

FINDINGS

1. Computer & Communications Equipment

The January 1998 "Florida EMS County Grant Program Manual" (Manual) enumerates 15 general conditions, two of which pertain here. General condition 7., Computer Hardware/Software, states, *"The grantee agrees that all computer hardware and software shall be approved in writing by the state Bureau of EMS. Costs of computer equipment and activities which do not have this prepurchase approval are not allowable."* Also, general condition 8., Communications, states in part that, *"The grantee agrees that all communications activities, services, and equipment shall be approved in writing by the Florida Department of Management Services, Information Technology Program (ITP) as required by chapter [sic] 401.024, F.S."*

During FY '02 Collier EMS expended \$53,685.20 of "100% grant" funds for communications-related computer equipment & services. Inquiry with the state Bureau of EMS (BEMS) revealed grant "change requests" pertaining to computers, but not the required computer approval letters. The Bureau's reply did note that such preapproval would not be required in the next Florida EMS County Grant Program Manual. Nonetheless, this grant condition did apply during the period under examination.

Similar inquiry of the ITP's successor, the State Technology Office (STO), regarding "computer and/or communications equipment for a wireless network" yielded "no record of a request for approval to purchase" such items using "100% grant" funds.

Collier EMS' failure to follow these grant conditions may cause the Bureau of EMS and/or the State Technology Office to disallow these expenditures. Such disallowance would obligate Collier EMS to transfer the disallowed amount from the current year operating budget into the "100% grant" fund. Since unused grant funds roll over between fiscal years, this would result in EMS making current year funds available to be spent as grant money in the next fiscal year, thus bypassing the Board's budget process.

RECOMMENDATIONS:

EMS should adhere to grant conditions to avoid incurring disallowable expenditures.

EMS management should consider seeking after-the-fact approval for these expenditures in order to avoid having to transfer funds from its operating budget to the "100% grant" fund to cover these expenditures.

2. Watches

During F/Y '02 Collier EMS spent \$490.25 of "100% grant" funds for men's & ladies' wristwatches. Each watch face denoted Collier EMS' #1 national recognition. The intent of this expenditure was to remind EMS workers to continue providing patients with the best care in the nation. Section 401.113 mandates that these funds "*be used solely to improve and expand prehospital emergency medical services in the state.*" While the intent to remind workers to "Keep up the great work" is admirable, it would not appear to "improve and expand prehospital emergency medical services," especially in light of the fact that they're already required to furnish their own watches.

Collier EMS' failure to follow the statutory language may cause the Bureau of EMS to disallow these expenditures.

RECOMMENDATIONS:

EMS should adhere to statutory terms to avoid incurring disallowable expenditures.

EMS management should transfer sufficient funds from its operating fund to the "100% grant" fund to cover this expenditure.

Emergency Medical Services' Response (Exhibit A)

I would like to thank you for your help in determining whether expenditures of our EMS State Grant funds complied with the grant conditions as defined under Florida law. As you know, we suspected that a number of items purchased in 2002 indeed did not meet the guidelines as provided for and we concur with your findings. We have already implemented a procedure that requires written confirmation from the state before any purchases are made. Upon receipt of your letter, I will then forward that finding to the state and have them make a final determination for us. Again, thank you for all your time and effort.

CONCLUSION

While the bulk of "100% grant" expenditures examined appeared to meet the statutory mandate to "improve and expand prehospital emergency medical services," certain expenditures did not follow specific grant conditions. The Emergency Medical Services Department should work to improve its compliance with grant conditions & requirements in order to avoid potential future disallowable expenditures. Internal Audit thanks EMS management & personnel for their cooperation in this examination.

Pat Blaney

From: Page, Jeff
Sent: Friday, July 25, 2003 4:57 PM
To: Pat Blaney
Subject: EMS Grant Expenditures

Dear Mr. Blaney,

I would like to thank you for your help in determining whether expenditures of our EMS State Grant funds complied with the grant conditions as defined under Florida law. As you know, we suspected that a number of items purchased in 2002 indeed did not meet the guidelines as provided for and we concur with your findings. We have already implemented a procedure that requires written confirmation from the state before any purchases are made. Upon receipt of your letter, I will then forward that finding to the state and have them make a final determination for us. Again, thank you for all your time and effort.

Jeff Page

EMS Director

Exhibit A