

# **Public Safety Department Audit Report**

## **June 25, 1996**

May 10, 1996

Board of County Commissioners

Brevard County, Florida

Post Office Box 1496

Titusville, Florida 32781

Commissioners:

Pursuant to the provisions of Section 125.01(1)(s), Florida Statutes; Article V, Section 16, and Article VIII, Section 1(d) of the Constitution of the State of Florida; and Article 4, Section 4.2.1, of the Brevard County Home Rule Charter, we conducted an audit of the Public Safety Administration, the Fire Rescue Operations Division, and the Fire Rescue Tactical Support Division of the Public Safety Department (hereinafter referred to as the "Department").

### PURPOSE

We conducted this audit to assess compliance with applicable Chapters of Florida Statutes, the Florida Administrative Code, the Rules of the Florida Department of Health and Rehabilitative Services (hereinafter referred to as "HRS"), Federal laws and regulations, and the policies, procedures, resolutions, ordinances, grants, and agreements of the Brevard County Board of County Commissioners (hereinafter referred to as the "Board"). We also evaluated the adequacy and effectiveness of the Department's system of internal accounting and administrative control and appraised the economy and efficiency with which the Department employs its resources.

Additionally, we performed other auditing procedures that we considered necessary in the circumstances.

### SCOPE

We tested compliance by examining Board and Department records for the period of October 1, 1992 through June 30, 1994. In addition, we examined the Department's system of internal accounting and administrative control. Other areas of operations were examined for compliance with Board policies and procedures. The Emergency Management/ Communications Division and the Coastal Health Systems, Inc. and Harbor City Volunteer Ambulance Squad, Inc. contracts (which were audited and reported on separately) were not included in the scope of this audit.

### OVERALL EVALUATION

Federal Laws and Regulations, Rules of HRS, Florida Statutes, Florida Administrative Code, Grants, Agreements, and Board Policies, Procedures, Resolutions and Ordinances

Except as noted below, the results of our tests indicated that, with respect to the items tested, the Department complied with applicable provisions of Federal laws and regulations, Rules of HRS, Florida Statutes, Florida Administrative Code, grants, agreements, and Board policies, procedures, resolutions, and ordinances. With respect to items not tested, nothing came to our attention that would cause us to believe that the Department had not complied with those provisions.

#### System of Internal Accounting and Administrative Control

In our opinion, the Department's systems of accounting and administrative control appeared adequate and effective. However, some improvement is needed to ensure that 1) general ledger accounts and trial balances are periodically reconciled, 2) estimated uncollectible percentages are

periodically analyzed, 3) services are not certified before performance, 4) backup files are stored off-site, 5) cash receipt books are properly controlled, 6) the contract database is maintained accurately, and 7) fire rescue facilities are adequately secured.

#### Other

The EMS ordinance does not specify a time frame for the recalculation of EMS assessment fees.

### FINDINGS AND RECOMMENDATIONS

#### Federal Laws and Regulations, Rules of HRS, Florida Statutes, Florida Administrative Code, Grants, Agreements, and Board Policies, Procedures, Resolutions and Ordinances

In order to determine compliance with Federal laws and regulations, Florida Statutes and Florida Administrative Code with regard to controlled substances, we performed an examination of controls in place with respect to their safeguarding and accountability. The results of this examination are described in Findings 1 through 5.

***FINDING 1 - The Department does not maintain separate records used to control morphine, a substance with high abuse potential, in accordance with State regulations.***

Paragraph (6) of the Florida Administrative Code 10D-66-0501 requires that the records of each Schedule II substance be maintained separately from all other records. Morphine is a Schedule II substance. The Department commingles its records for this substance with its other controlled substances, Nubain and Valium.

We attribute this condition to a lack of established procedures requiring separate records for Schedule II substances. The commingling of records pertaining to a substance that is highly addictive and prone to abuse does not provide the control that is required by State regulations.

**RECOMMENDATION** - We recommend the Department comply with State regulations and establish procedures addressing the requirement to maintain records pertaining to morphine separately from the records of other controlled substances.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated, in part ". . . We revised the form on which controlled substances are recorded and obtained approval of the form from the State. . ."

**FINDING 2 - *The Department is not properly controlling outdated vials of controlled substances.***

Paragraph (1)(f) of the Florida Administrative Code 10D-66.0501 requires the same security procedures for outdated vials of controlled substances as for usable supplies. We found that the Department does not maintain sufficient control once a vial becomes outdated. We identified two vials of morphine that became outdated on May 18, 1994, but could not determine their disposition. There is no record that the Department forwarded them to the Drug Enforcement Administration (DEA) Office in Miami, Florida as required. Also, although the Department's standard operating procedures require the witnessing of any wasting of a partially used vial of Valium or Nubain, they neglect to require the witnessing of the wasting of outdated vials.

We attribute this condition to a lack of specific established procedures for outdated controlled substances. Without these procedures pertaining to substances which are highly addictive and subject to abuse, the Department does not provide the control that is required by State regulations.

**RECOMMENDATION** - We recommend the Department establish written procedures requiring an inventory tracking system for outdated controlled substances from the time the substances become outdated until their final disposition. The procedures should also require that the wasting of these substances be witnessed. We further recommend the Department investigate all controlled substances that cannot be accounted for to ensure proper disposition.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated in part:

The procedure has changed and the S.O.P. has been revised to prescribe that controlled substance vials having less than 60 days remaining to expiry be returned to the supplier for replacement . . . The procedure also calls for the witnessing of the wasting of partially used vials.

**FINDING 3 - *The inventory procedures for controlled substances are not sufficient.***

Both the Florida Administrative Code and the DEA Physician's Manual require a system of records that provides for an accountability of controlled substances. The system should provide the ability to trace the substance from the time it is procured to final disposition. Within the Board Emergency Medical Services (hereinafter referred to as "EMS") controlled substance program, there are two separate inventory systems used. One system records the controlled substance from the time it is procured until issued to the rescue units and is maintained by Tactical Support Operations Supply (hereinafter referred to as "Tactical Support"). The other system is maintained at each rescue unit. However, the controlled substance program does not provide for a reconciliation between the two systems to provide assurance that what is issued from one system is recorded as received by the other.

The Physician's Manual also requires a biennial inventory of controlled substances, a record of which must be retained for two years. There is no evidence that the Department performs this inventory.

We attribute these conditions to a lack of specific established procedures addressing the periodic inventory of controlled substances. Without these procedures pertaining to substances which are highly addictive and subject to abuse, the Department does not provide the control that is required by both Federal and State regulations.

**RECOMMENDATION** - We recommend the Department establish written procedures requiring a periodic reconciliation of the two systems of inventory to ensure that all issues and receipts are properly recorded. We also recommend the Department establish written procedures addressing the performance of a biennial inventory as required.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated, in part ". . . We have developed written procedures to reconcile the two systems . . ."

**FINDING 4 - *The Department has not properly implemented written operating procedures in accordance with State regulations.***

Paragraph (3) of the Florida Administrative Code 10D-66.0501 requires that the Medical Director sign all written operating procedures to provide evidence that the storage, handling, use, and disposal of all controlled substances are in accordance with established standards. Neither the previous nor the current Standard Operating Procedures (hereinafter referred to as the "SOP") have been so authenticated. Also, the Department could not provide evidence that the current SOP, dated July 1993, had been distributed to all EMS operating elements. The only copy the Department could provide was stored in the computer of the EMS Coordinator who indicated it was the SOP in force. This lack of properly authenticated and distributed procedures does not minimize the risk of the potential abuse of controlled substances.

**RECOMMENDATION** - We recommend that the current SOP be properly authenticated and distributed to all personnel who deal with controlled substances.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996. Chief Don E. Boykin, Director, Public Safety Department, stated in part ". . . We have now obtained the Medical Director's signature."

**FINDING 5 - *Compliance and enforcement of the Controlled Substance SOP are not sufficient.***

In addition to the findings noted above, the effectiveness of the SOP for controlled substances is limited by the lack of enforcement by management as exemplified by the following conditions:

a. The SOP states that each time Tactical Support resupplies a controlled substance, for any reason, the fire rescue unit will return the empty container to Tactical Support in an envelope that has pertinent and prescribed information printed on the outside. The empty container and envelope will accompany a requisition for replacement. We determined that Tactical Support issues replacements without receipt of the empty container. During a nine month period, 162 vials of controlled substances were issued while only 122 (75%) were turned in.

b. The SOP does not address the disposition of the envelope nor does it require that all the information noted on the envelope be logged. After some of the data recorded on the envelope is logged, Tactical Support discards the envelope, even though it contains significant data that is not logged. The envelopes are an important record that should be maintained for proper control of controlled substances.

c. The SOP requires that when a vial of a controlled substance is broken, the custodian must report to the District Supervisor by memorandum detailing the breakage. Although we noted seventeen instances of vials being replaced due to breakage during a twelve month period, the District Supervisor could not provide the required memorandums.

d. The SOP requires that the custodian record, in the controlled substance inventory log, the source of any drugs that are added to the inventory of a rescue unit. The SOP further requires that, for any issue, the inventory log identify the operating element that is receiving the substances. An Advanced Life Support (ALS) transport unit, certified on June 1, 1994, had a supply of controlled substances with no record of its source. The

same quantity of substances had been issued to another ALS unit at the same location; however, there was no record that the substances had been placed in the inventory of that ALS unit. In addition, the inventory records of one ALS unit did not indicate the disposition of two vials of Nubain. We also noted that one ALS unit was taken out of service on June 7, 1994, without recording the disposition of the substances that remained on board.

The risk of abuse of controlled substances is not minimized if controls established in the Department's operating procedures are not enforced by management.

**RECOMMENDATION** - We recommend the Department ensure that all personnel who are in a supervisory position enforce the controlled substances SOP. We further recommend the Department investigate all controlled substances that cannot be accounted for to ensure proper disposition.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated "The need for supervisory oversight (enforcement) and compliance with the SOP are constantly reinforced at staff meetings. Disciplinary action is taken, when warranted."

*(Unresolved Prior Audit Finding)*

**FINDING 6 - *The Department is not allocating certain EMS costs to the appropriate benefit unit.***

The adopted budgets for the South Benefit Unit do not include the costs of all personnel permanently assigned to the Micco Volunteer Area. The Department uses these budget costs to support its determination of assessment fees as required by Section 24.(c) of Ordinance 90-30. We estimated these excluded costs to be approximately \$41,000 a year.

In response to our prior audit recommendations, the Department stated that they would:

. . . propose a FY 94 budget to the Board of County Commissioners which will define the cost of operations in the South Benefit Unit (Micco). The options we



will propose will include third party billing or raising the E.M.S. Assessment as a funding solution, if necessary, to offset the increase to the South benefit EMS assessment . . .

The fiscal year 1994 Budget presented to the Board did not include any recommended changes.

During the current audit we noted additional concerns. The Department charges the North Benefit Unit fund for the cost of eight EMS personnel assigned to Central Benefit Unit stations. Salaries and fringe benefits for these employees are approximately \$298,000. In addition, the Department does not allocate payroll costs, incurred by the North Benefit Unit fund, among the three benefit units for five administrative and two clerical positions that provide countywide EMS service. These costs total approximately \$322,000. The North Benefit Unit EMS Assessment also funds over \$37,000 in rental expense and \$65,000 in matching grant expenditures that support all benefit units.

Without the proper allocation of all EMS Program costs, the Department does not achieve the desires of the Board as stated in Ordinance 90-30.

**RECOMMENDATION** - We again recommend the Department properly allocate all costs associated with the EMS Program to determine the EMS assessment fees as required by the Ordinance. Since this would substantially increase the fee assessed for the South Benefit Unit residents, we also again recommend the consideration of third party billings for emergency medical services in the Benefit Unit.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated:

The issue of cost allocation among the three EMS benefit unit Funds and the Fire Control Fund and the issue of third party billing in the South were brought to the attention of the Board at a Workshop Meeting on July 13, 1995. The decision was that the issues would be addressed in the context of a "model system", countywide.

**FINDING 7 - *Department needs to ensure compliance with the Florida Administrative Code.***

No controls or procedures exist to ensure compliance with Chapter 10D.66, Florida Administrative Code (FAC). We conducted an inventory of ambulance supplies and equipment required by Chapter 10D.66. One ALS unit lacked the following basic items required on each "emergency service vehicle" per FAC Section 10D-66.055(1), Table III:

1 Bite Stick

4 Triangular Bandages

2 Blankets

Noncompliance could result in vehicles or personnel being removed from service as well as fines and penalties. This could impair the Department's ability to provide required services.

**RECOMMENDATION** - We recommend the Department establish a system to monitor compliance with Chapter 10D.66. This should include periodic random inventories of vehicles and certification checks.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated "We are in substantial compliance with FAC and have documented evidence of such."

***FINDING 8 - The volunteer fire departments do not meet the reporting requirements of their agreements with the Board.***

The Board has contracted with twelve volunteer fire departments (hereinafter referred to as the "Volunteers") to supplement the fire fighting forces employed by the Board. In return for this service, the Board distributes approximately \$60,000 each year to the Volunteers. These agreements require that the Volunteers provide monthly reports of the calls to which the Volunteers responded and a monthly summary of training. However, the Department has not met its responsibility to ensure that the reports are received as required. Of the five volunteer fire departments reviewed, four did not submit reports during the audit period. The fifth had not submitted a report since May 1993. Without these reports the Department cannot provide assurance that the Volunteers are properly trained and are providing the contracted services. Further, the agreements specify that the monthly payment may be withheld if these reports are not received.

In addition, each agreement requires that the Volunteers maintain financial records of receipt and deposit of funds paid by the Board, and makes provisions for the audit and inspection of those records for the sole purpose of confirming the receipt of the funds. Of the five Volunteers selected for testing, two did not comply with our request for copies of bank statements and validated deposit slips. As a result, it could not be determined that the funds paid by the Board were received by the designated payees.

**RECOMMENDATION** - We recommend the Department ensure the Volunteers comply with the provisions of the contracts utilizing, if necessary, the payment withholding provisions of the agreements. We also recommend the Department formulate a policy to periodically request and inspect the financial records of the Volunteers as allowed by the agreements.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated "Since this was identified, corrective action was taken to ensure receipt of the monthly reports."

***FINDING 9 - The Department is not properly administering five vehicle lease agreements that provide liability insurance and fuel.***

The Board has agreements with five volunteer fire departments to provide liability insurance and fuel for five fire rescue vehicles owned by those departments. These agreements require close coordination between the Department, the Risk Management Division, Property Control, and the Fuels Section of the Central Fleet Systems Division. The Volunteers reimburse the cost of the insurance, whereas, the Board provides the fuel at no cost. However, the amounts billed to the Volunteers for insurance were not equal to the amounts transferred by the Department to the Risk Management Division. Also, the Department billed all the Volunteers on December 15, 1993. However, the premium period commenced on August 1, 1993, for three vehicles; on July 1, 1993, for the fourth vehicle; and on November 1, 1993, for the fifth vehicle. As a result, the Department is not being reimbursed in a timely manner for these expenditures.

We determined that these conditions are a result of insufficient interfacing between the Risk Management Billing Program and the Property Control Data Base. The Property Control Data Base classifies all of the leased vehicles as "type 338" to differentiate them from Board-owned vehicles. However, the Risk Management Division did not include three of the vehicles on its billing list and misclassified the remaining two. Also, the periods of the agreements were not compatible with fiscal year accounting that is used to determine premium amounts.

**RECOMMENDATION** - We recommend the Department execute amended agreements with the Volunteers, the terms of which correspond to the Board's fiscal year. We also recommend the Department ensure that the Risk Management Division properly records all vehicles in order to bill the Volunteers for the correct premium in a timely manner.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated:

Agreements with three of the volunteer fire departments have been revised calling for title on the vehicles to be transferred to the County. In (the) future, County Finance will bill the volunteer organizations for the insurance.

*(Unresolved Prior Audit Finding)*

**FINDING 10 - *The Department is not following procedures established to effectively manage the EMS grant program.***

In response to the last audit report, the Department established procedures that should have resolved the problems that were reported at that time. However, we found that those conditions continue to exist. For example:

- a. The Department could not substantiate expenditures of \$73,120 reported to the HRS in fiscal year 1993 to support an in-kind match by the Board. Subsequent negotiations with the HRS resulted in a refund of \$49,387 to the HRS to close the grants.
- b. The Department does not adequately maintain grant files that should contain copies of all reports, applicable correspondence, and backup expenditure documentation. Copies of expenditure reports that appeared to have been forwarded to the HRS, but were not, were on file, while copies of reports forwarded had to be obtained from the HRS.

During the current audit, we noted additional concerns:

c. Matching grant provisions require that the grantee make all expenditures prior to the end of the grant period. The provisions specify that "due to the need to utilize funds on a timely basis, and because the duration of the grant exceeds one year, no extension of the grant beyond the original ending date will be provided." The grant periods are generally from the first quarter of one calendar year to the end of the third quarter of the next calendar year and equate to one and three quarter fiscal years. As of September 30, 1993, the Department had not expended over \$192,000 in matching grant funds that it should have expended by that date. The HRS's acceptance of this condition is not documented, nor is it provided for in the agreement.

d. It was determined that grant expenditure reports included amounts that had been encumbered and amounts that had not yet been encumbered, i.e., in the planning stage. Grant provisions do not provide for reporting any funds that have not been expended. As a result, the HRS noted that the fiscal year 1993 Board "trust fund" final grant expenditure report reflected \$154,620 as expended, whereas, the Clerk of the Circuit Court's County Finance Department (hereinafter referred to as "County Finance") reported \$92,362 as expended.

These conditions can be attributed to the lack of training and expertise needed to provide for the proper administration and accounting of grant funds. Any noncompliance factor creates a potential liability to the Board for a period of five years after the ending period of the grant.

**RECOMMENDATION** - We recommend the Department ensure that grants are properly administered in accordance with the grant provisions and standard operating procedures.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated, in part "For the last three fiscal years, the EMS Grant program has been effectively managed . . . the FY92-93 EMS grants are closed."

#### System of Internal Accounting and Administrative Control

**FINDING 11 - *The Department is not reconciling the EMS general ledger accounts.***

County Finance maintains general ledger accounts for the Department. Entries are made to the general ledger accounts by County Finance based on reports received from three sources: Gottlieb's Financial Services (hereinafter referred to as "GFS") that provides billing services for the Department; a depository bank that provides lockbox services to the Department; and Associated Credit & Collection Bureau. The Department has not been reconciling the general ledger entries to supporting documentation. This reconciliation is required by the Department's SOP 2102, "EMS Collection." A periodic reconciliation of general ledger entries was established to ensure that all transactions are properly recorded. We noted that new receivables for October 1993 totaling \$269,143, as well as payments received during the months of December 1993, February 1994, and May 1994 totaling \$71,722 had not been recorded by County Finance in the general ledger accounts. Compliance with the Department's SOP 2102 would have detected these discrepancies.

**RECOMMENDATION** - We recommend the Department perform monthly reconciliations of all general ledger entries to the Ambulance Fees account as required by SOP 2102.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated, in part:

. . . Since this finding was identified, the Public Safety Department has been verifying to ensure that County Finance records the receivables. . .

**FINDING 12 - *The Department does not verify that the collection agency has received and recorded all past due accounts transmitted.***

The Department transmits all delinquent accounts that have been determined as uncollectible using GFS to Associated Credit & Collection Bureau, Inc. (hereinafter referred to as "Associated"). Associated sends a confirmation letter listing all the accounts received to the Department. However, the Department does not compare the confirmation letter listing to the detail printout sheets of accounts sent to Associated. A comparison is required by the Department's SOP 2102 to ensure that all accounts have been received and recorded. Failure to perform this verification does not minimize the risk of unrecorded or incorrectly recorded accounts.

**RECOMMENDATION** - We recommend the Department compare the confirmation letter listing to the detail printout sheets as required by SOP 2102.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated "Since this was identified, a procedure was implemented to do this."

**FINDING 13 - *The estimated uncollectible accounts receivable for EMS fees appears overstated.***

County Finance records the estimated uncollectible accounts receivable for EMS fees as 75% of accounts receivable. However, the percentage of uncollected EMS fees has been decreasing consistently over the past several years. In 1993, approximately 20% were uncollected. In order to properly present accounts receivable in the financial records, uncollectible fees should be estimated annually based on actual collection rates. This reevaluation would ensure that the accounts receivable balance accurately reflects the collectibility of the EMS fees due.

**RECOMMENDATION** - We recommend the Department provide input to County Finance to ensure that current collection rates are used to determine the estimate of uncollectible EMS fees.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated:

The Public Safety Department will provide input to County Finance annually so that County Finance can develop a better estimate of the estimated uncollectible accounts receivable.

**FINDING 14 - *The Department is unable to reconcile its ambulance fees receivable account.***

The Department is limited in reconciling the balance in the Ambulance Fees receivable account due to the lack of a system of accountability for balances that are not included in the records of GFS or Associated. Good internal control requires the ability to reconcile the accounts receivable trial balance to a list of fees due that support the trial balance. The only listings currently available to the Department are those provided by GFS and Associated. However, the GFS listing is not accurate in that it does not include accounts that the Department resubmits after

follow-up. The inability to reconcile receivables results in possible errors in the financial statements and increases the risk of loss of funds due to errors and irregularities.

**RECOMMENDATION** - We recommend the Department implement a system of accountability for balances that are not included in the records of GFS or Associated.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated, in part:

The fact that the County employs two providers, one for ambulance billing services and another for debt collection services, and the fact that there is no efficient system to control paperwork between these two providers, are two of the many factors contributing to this situation. . . Every attempt will be made to reconcile the accounts receivable on a progressive basis.

**FINDING 15** - *The Department certifies Medical Director services as received before they are performed.*

Both the Public Safety Director and the contracted Medical Director certify that the Medical Director has performed and provided services required by contract before the actual

performance of those services. This certification is forwarded to County Finance as authorization for the monthly payment to the Medical Director. County Finance retains the certification until payment is made during the last week of the period of entitlement. Though this practice is not intended to elicit payment for services not performed, the risk of improper payments is not minimized.

**RECOMMENDATION** - We recommend the Department and Medical Director execute the certification attesting to services received or provided **after** those services are received or provided.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated "The next contract will provide for payment of services after they are received."



*(Unresolved Prior Audit Finding)*

**FINDING 16 - *The Department does not maintain an accurate contract data base.***

Contracts reported as not being recorded on the contract database during the previous audit have yet to be recorded. We also noted multiple errors in the data recorded. Some contracts were misclassified, others were not recorded, and some noncontracts were recorded as contracts. Section VI, Paragraph 4, Brevard County Procedure BC-20, "Contract Administration," requires the originating department of an agreement to report specific data to the Information Systems Division for input into the database that is maintained for management and information purposes. Inaccuracies limit the ability of the database to provide proper contract administration. These conditions are attributed to lack of attention to detail and periodic reconciliations.

**RECOMMENDATION** - We recommend the Department comply with BC-20. Specifically, we recommend more attention to detail and a periodic reconciliation of the data base with a hard copy of the contract.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated "The Department reviews the 'Department/Division Contracts' printout each month for accuracy."

**FINDING 17 - *The Department does not store backup computer files off-site.***

During our review of the Department's local area network (hereinafter referred to as "LAN") we noted that backup files are stored on a shelf in the same room as the server. For disaster/recovery purposes, the Department should maintain LAN backup files at a site separate from the server facility. If fire, water, or acts of nature destroyed the server facility, all information stored on the LAN would be lost. This includes departmental inventory information, fire incident reports, and other Department information. Department procedures do not currently require off-site storage.

**RECOMMENDATION** - We recommend the Department develop and implement written procedures to ensure that LAN backup files are stored securely at a site away from the LAN facility.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated "Since this finding was brought to our attention, the LAN backup files have been stored off-site."

*(Unresolved Prior Audit Finding)*

**FINDING 18 - *The Department does not have sufficient controls in place for the accountability of cash receipt books.***

The Department does not have sufficient controls in place for the accountability of cash receipt books, form BCC-55, which are used for miscellaneous cash receipts such as training fees. The Department could not locate one book, could not determine which books had been issued, or which books had been used. Section VI.E. of Procedure PD-9, "Forms," requires that the Department maintain accountability of prenumbered forms. Accountability of form BCC-55 is necessary to provide assurance that all cash receipts are properly recorded.

**RECOMMENDATION** - We recommend the Department maintain a record of books issued for use by personnel other than the original custodian and that they retain used books in compliance with PD-9.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated, in part "Since the plan review function was transferred to the Buildings Department, we no longer have a need for cash receipt books. . ."

**FINDING 19 - *One fire rescue facility was not properly secured when unoccupied.***

While verifying building security, we noted that one fire rescue facility of the five visited was not properly locked in the absence of all personnel. The Department's SOP 3017, "Station Security," requires that fire rescue buildings be properly secured when personnel are not present. Lack of security can result in unauthorized entry to fire rescue facilities and the theft, destruction, or abuse of Board property.

**RECOMMENDATION** - We recommend the Department ensure compliance with SOP 3017 to provide assurance that all fire rescue buildings are properly secured when unoccupied.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated "Since this was brought to our attention, we have installed combination locks to secure the stations."

Other

**FINDING 20 - *The EMS ordinance does not specify a time period for recalculation of EMS assessment fees.***

We noted that Ordinance 90-30 does not provide for a specific time frame or frequency for recalculation of EMS assessment fees. Section 10 of the Ordinance states "the amount of such special assessment for such emergency medical service provision shall be at the rate established, **from time to time**, . . ." (emphasis added.) The last change to EMS assessment fees was for fiscal year 1992. For fiscal years 1993 and 1994, the Department did not recalculate the assessment fee.

Using the formula described in the Ordinance and the Department's figures, we recalculated the assessment fee for fiscal year 1993 as follows:

Recalculated    Approved

Area   Rate   Rate

North   \$28.39   \$28.69

Central   \$14.77   \$14.92

South   \$36.95   \$39.30

If the recalculated rates were used, the total assessment would have been \$54,718 less than the actual assessment determined using the approved rates.

Without specific direction from the Board, the action or inaction of its operating units may not be consistent with the Board's intentions.

**RECOMMENDATION** - We recommend the Department request clarification/amendment from the Board of Section 10 of Ordinance 90-30 as to a definitive period for recalculation of EMS assessment fees.

**MANAGEMENT'S RESPONSE** - In the reply (see Exhibit A) dated June 3, 1996, Chief Don E. Boykin, Director, Public Safety Department, stated "The Department will request clarification/amendment from the Board as to a definitive period for recalculation of EMS assessment rates(.)"

#### SUMMARY

We held an exit conference on May 10, 1996, during which we discussed the audit report with Chief Don E. Boykin, Director, Public Safety Department. We have attached the Department's formal reply to the audit report as Exhibit A.

Respectfully submitted,

SANDY CRAWFORD

CLERK OF THE CIRCUIT COURT

J. Carl Smith, C.P.A., C.G.F.M.

Chief Internal Auditor

Auditor-in-charge:

Annette Clark, C.P.A., C.I.A.

Senior Internal Auditor

Attachment: Exhibit A

cc: Each Commissioner

Tom N. Jenkins, County Manager

Scott Knox, County Attorney

Joan Madden, Assistant County Manager

Chief Don E. Boykin, Director, Public Safety Department

Jim Giles, Chief Deputy Clerk

Steve Burdett, C.P.A., Finance Director

# **Exhibit "A"**

## **REPLY TO AUDIT FINDINGS**

**INTERNAL AUDIT DATED MAY 10, 1996**

**PUBLIC SAFETY ADMINISTRATION AND FIRE RESCUE OPERATIONS AND**

**FIRE RESCUE TACTICAL SUPPORT DIVISIONS**

**Finding 1 - The Department does not maintain separate records used to control morphine, a substance with high abuse potential, in accordance with State regulations.**

In the past the department had a full accounting of morphine use, but did not keep separate report forms. We revised the form on which controlled substances are recorded and obtained approval of the form from the State. We have also updated the related SOP.

**Finding 2 - The Department is not properly controlling outdated vials of controlled substances.**

The procedure has changed and the S.O.P. has been revised to prescribe that controlled substance vials having less than 60 days remaining to expiry be returned to the supplier for replacement, thereby negating the need to return expired vials to the DEA office in Miami. The procedure also calls for the witnessing of the wasting of partially used vials.

**Finding 3 - The inventory procedures for controlled substances are not sufficient.**

There are two inventory control systems: one to control drugs from procurement to issuance to the rescue units, and the other to control the disposition of drugs on the rescue units. We have developed written procedures to reconcile the two systems.

**Finding 4 - The Department has not properly implemented written operating procedures in accordance with State regulations.**

The department had procedures in place, however, they were not signed by the Medical Director. We have now obtained the Medical Director's signature.

**Finding 5 - Compliance and enforcement of the Controlled Substance SOP are not sufficient.**

The need for supervisory oversight (enforcement) and compliance with the SOP are constantly reinforced at staff meetings. Disciplinary action is taken, when warranted.

**Finding 6 - The Department is not allocating certain EMS costs to the appropriate benefit unit.**

The issue of cost allocation among the three EMS benefit unit Funds and the Fire Control Fund and the issue of third party billing in the South were brought to the attention of the Board at a Workshop Meeting on July 13, 1995. The decision was that the issues would be addressed in the context of a "model system", countywide.

**Finding 7 - Department needs to ensure compliance with the Florida Administrative Code.**

We are in substantial compliance with the FAC and have documented evidence of such..

**Finding 8 - The volunteer fire departments do not meet the reporting requirements of their agreements with the Board.**

Since this was identified, corrective action was taken to ensure receipt of the monthly reports.

**Finding 9 - The Department is not properly administering five vehicle lease agreements that provide liability insurance and fuel.**

Agreements with three of the volunteer fire departments have been revised calling for title on the vehicles to be transferred to the County. In future, County Finance will bill the volunteers organizations for the insurance.



**Finding 10 - The Department is not following procedures established to effectively manage the EMS grant program.**

For the last three fiscal years, the EMS Grant program has been effectively managed as evidenced by the monitoring of State/HRS. As far as HRS is concerned, the FY92-93 EMS grants are closed.

**Finding 11 - The Department is not reconciling the EMS general ledger accounts.**

The County's Finance Department failed to record the receivables and payments, not the Public Safety Department. Since this finding was identified, the Public Safety Department has been verifying to ensure that County Finance records the receivables. The Public Safety Department, at the time of the audit, was and continues to reconcile "lock box" payments against vendor-recorded payments. The Public Safety Department has no means of reconciling County Finance's recording of cash payments.

**Finding 12 - The Department does not verify that the collection agency has received and recorded all past due accounts transmitted.**

Since this was identified, a procedure was implemented to do this.

**Finding 13 - The estimated uncollectible accounts receivable for EMS fees appears overstated.**

The Public Safety Department will provide input to County Finance annually so that County Finance can develop a better estimate of the estimated uncollectible accounts receivable.

**Finding 14 - The Department is unable to reconcile its ambulance fees receivable account.**

The fact that the County employs two providers, one for ambulance billing services and another for debt collection services, and the fact that there is no efficient system to control paperwork between these two providers, are two of the many factors contributing to this situation. Other factors include the split in responsibilities between County Finance and the Public Safety Department. In other words, the current process needs to be re-engineered. Effective May 1, 1996, ambulance billing service is being provided by a new contractor. Every attempt will be made to reconcile the accounts receivable on a progressive basis.

**Finding 15 - The Department certifies Medical Director services as received before they are performed.**

The next contract will provide for payment of services after they are received.

**Finding 16 - The Department does not maintain an accurate contract data base.**

The Department reviews the "Department/Division Contracts" printout each month for accuracy.

**Finding 17 - The Department does not store backup computer files off-site.**

Since this finding was brought to our attention, the LAN backup files have been stored off-site.

**Finding 18 - The Department does not have sufficient controls in place for the accountability of cash receipt books.**

Since the plan review function was transferred to the Buildings Department, we no longer have a need for cash receipt books. This means that we no longer have a requirement to account for cash receipt books.

**Finding 19 - One fire rescue facility was not properly secured when unoccupied.**

Since this was brought to our attention, we have installed combination locks to secure the stations.

**Finding 20 - The EMS ordinance does not specify a time for recalculating the EMS assessment fees.**

The department will request clarification/amendment from the Board as to a definitive period for recalculation of EMS assessment rates

