



COMMONWEALTH of VIRGINIA
Department of Health
Internal Audit

Report on Office of Emergency Medical Services (OEMS)
Information Received as of May 31, 2024

BACKGROUND

The Office of Emergency Medical Services (OEMS) is responsible for planning and coordinating an effective and efficient statewide Emergency Medical Services (EMS) system. Its programs and services are designed to assure quality prehospital patient care, from when the call is received by the 911 center to the delivery of the patient to the trauma center or hospital.

OEMS receives funding allocated from the Four-for-Life program annually. This funding is legislated by the Code of Virginia § 46.2-694(A)(13):

“An additional fee of \$4.25 per year shall be charged and collected at the time of registration of each pickup or panel truck and each motor vehicle under subdivisions 1 through 12. All funds collected from \$4 of the \$4.25 fee shall be paid into the state treasury and shall be set aside as a special fund to be used only for emergency medical services purposes. The moneys in the special emergency medical services fund shall be distributed as follows:

- a. Two percent shall be distributed to the State Department of Health to provide funding to the Virginia Association of Volunteer Rescue Squads to be used solely for the purpose of conducting volunteer recruitment, retention, and training activities;
- b. Thirty percent shall be distributed to the State Department of Health to support (i) emergency medical services training programs (excluding advanced life support classes); (ii) advanced life support training; (iii) recruitment and retention programs (all funds for such support shall be used to recruit and retain volunteer emergency medical services personnel only, including public awareness campaigns, technical assistance programs, and similar activities); (iv) emergency medical services system development, initiatives, and priorities based on needs identified by the State Emergency Medical Services Advisory Board; (v) local, regional, and statewide performance contracts for emergency medical services to meet the objectives stipulated in § 32.1-111.3;(vi) technology and radio communication enhancements; and (vii) improved emergency preparedness and response. Any funds set aside for distribution under this provision and remaining undistributed at the end of any fiscal year shall revert to the Rescue Squad Assistance Fund;
- c. Thirty-two percent shall be distributed to the Rescue Squad Assistance Fund;
- d. Ten percent shall be available to the State Department of Health's Office of Emergency Medical Services for use in emergency medical services; and
- e. Twenty-six percent shall be returned by the Comptroller to the locality wherein such

vehicle is registered, to provide funding for training of volunteer or salaried emergency medical services personnel of nonprofit emergency medical services agencies that hold a valid license issued by the Commissioner of Health and for the purchase of necessary equipment and supplies for use in such locality for emergency medical services provided by nonprofit emergency medical services agencies that hold a valid license issued by the Commissioner of Health.

All revenues generated by the remaining \$0.25 of the \$4.25 fee approved by the 2008 Session of the General Assembly shall be deposited into the Rescue Squad Assistance Fund and used only to pay for the costs associated with the certification and recertification training of emergency medical services personnel.”

In compliance with § 46.2-694(A)(13)(e), OEMS manages the Return to Locality program. OEMS returns 26% of the registration fees collected to the locality wherein such vehicle is registered to provide funding for: (1) Training of volunteer or salaried emergency medical service personnel of licensed, nonprofit emergency medical service agencies; or (2) for the purchase of necessary equipment and supplies for licensed, nonprofit emergency medical service agencies.

The financial assistance for Emergency Medical Services Grants Program, known as the Rescue Squad Assistance Fund (RSAF), is a grant program for licensed EMS agencies or other Virginia emergency medical service organizations operating on a nonprofit basis exclusively for the benefit of the general public pursuant to § 32.1-111.12 of the Code of Virginia. Items eligible for funding include EMS equipment and vehicles, computers, EMS management programs, courses/classes, and projects benefiting the recruitment and retention of EMS members.

According to the 2022 Special Session I Virginia Acts of Assembly Chapter 2, Item 3-1.01(W), “On or before June 30 each year, the State Comptroller shall transfer \$12,518,587 the first year and \$12,518,587 the second year to the general fund from the \$2.00 increase in the annual vehicle registration fee from the special emergency medical services fund contained in the Department of Health's Emergency Medical Services Program (40200).”

According to the Code of Virginia §18.2-270.01, “OEMS receives funding and establishes the Trauma Center Fund for the Commonwealth of Virginia, which is to be used for defraying the costs of providing emergency medical care to victims of automobile accidents attributable to alcohol or drug use. A portion of the fees collected by the Commonwealth for the reinstatement of revoked or suspended drivers’ licenses and repeat DUI offenders are deposited into the Trauma Center Fund.”

The Code of Virginia § 32.1-111.4:2 establishes Regional EMS Councils and defines their function and purpose. Currently, the State Board of Health has designated 11 Regional EMS Councils to serve specific geographic areas of the Commonwealth. Each Regional EMS Council is charged with the development and implementation of an efficient and effective regional emergency medical services delivery system. In order to accomplish these tasks, Virginia’s Regional EMS Councils contract with OEMS during their designation period and undergo designation reviews every 3 years.

The State Emergency Medical Services Advisory Board is established in the executive branch pursuant to § 32.1-111.4:1 of the Code of Virginia. The Advisory Board is created “for the purpose of advising the Board concerning the administration of the statewide emergency medical services system and emergency medical services vehicles maintained and operated to

provide transportation to persons requiring emergency medical treatment and for reviewing and making recommendations on the Statewide Emergency Medical Services Plan.” There are committees under the Advisory Board in the following areas: Advisory Board Executive, Communications, Emergency Management, EMS for Children, Financial Assistance and Review, Legislative & Planning, Medevac, Medical Direction, Provider Health and Safety, Rules and Regulations, Training and Certification, Transportation, Workforce Development, and Trauma Systems. Trauma Systems has committees in the areas of Trauma Administrative and Governance, System Improvement, Injury and Violence Prevention, Prehospital Care, Acute Care, Post-Acute Care, and Emergency Preparedness and Response.

The OEMS organization structure as of March 15, 2024, establishes three Divisions – Operations, Compliance and Education, and Trauma and Administration. According to the Office of Human Resources (OHR), as of May 1, 2024, OEMS has 50 filled and 11 vacant classified positions, 1 filled and 6 vacant wage positions, and 8 contractors.

PURPOSE

The State Health Commissioner requested the Office of Internal Audit (OIA) perform an investigative review of OEMS. According to the memorandum issued by the State Health Commissioner on July 6, 2023, “Office of Internal Audit will launch an investigation regarding the leadership of OEMS and its compliance with the requirements of the Special Funds under their purview. Special attention should be given to the Trauma Center funds, management of their general budget, and the contractual relationship between OEMS and the Western Virginia EMS Council (WVEMS).”

As of the close of fiscal year June 30, 2023, OEMS lacked sufficient funds available in the Special Emergency Medical Services Fund (Fund 02130), also referred to as the Four-for-Life fund, to make the required transfer of \$12,518,587 to the general fund as required by the 2022 Special Session I Virginia Acts Chapter 2, Item 3-1.01(W). The Appropriations Act directs the Virginia Department of Health (VDH) to make transfer amounts by June 30 of the fiscal year.

INVESTIGATIVE TECHNIQUES

The investigative review to gain an understanding of OEMS operations included, but was not limited to, review of related State, VDH, and OEMS policies and procedures, Code of Virginia, and other State regulatory requirements, prior OEMS audits and hotlines, organizational charts, and minutes of various EMS Board meetings.

Testwork included, but was not limited to, interviews of various OEMS staff, VDH Central Office staff, and Regional EMS Council Directors; analysis of revenue and expenditures from the Finance and Accounting (F&A) system; review of documentation provided by OEMS such as written procedures, budget workbooks, contracts and agreements, F&A project code breakdown; and review of documentation provided by Regional EMS Councils, including annual audit reports, expense ledgers, and invoices. Investigative review results are reliant on and limited to information provided and discovered during testwork. OIA makes no representation as to the completeness or accuracy of the information reviewed.

The six primary areas of testing by OIA included Leadership, Budget, Trauma Center Fund, Four-for-Life fund, Regional EMS Councils, and Western Virginia EMS Council. Other administrative areas were also tested such as management of Small Purchase Charge Cards (SPCC), Fixed Asset Accounting and Control System (FAACS) equipment, interest bearing

accounts, and travel reimbursements for non-employees. The scope of testing, unless noted otherwise, was FY2018 to FY2023.

RESULTS OF INVESTIGATIVE REVIEW

1. Leadership

OEMS Culture and Administrative Practices

OIA conducted interviews to determine OEMS administrative practices internally and in association with VDH Central Office. Based on interviews with OEMS staff, OIA noted multiple key events leading to changes in how administrative functions were performed at OEMS. The two most prominent were the turnover in the OEMS Business Manager position in 2016 and the Shared Business Services (SBS) formation in December 2019, which centralized all administrative functions and positions for Offices at VDH.

Based on OEMS organizational charts from before SBS formation, the OEMS Business Manager, reporting to the OEMS Director, was responsible for all administrative functions and staff that included an Accountant, three Fiscal Technicians, a Buyer Senior, HR Analyst, and an Office Services Assistant. In 2019, prior to SBS formation, the OEMS Business Manager position was changed to OEMS Associate Director and the OEMS Accountant position (vacant at the time) was changed to OEMS Business Manager.

According to interviews with OEMS staff, under the previous OEMS Business Manager, the Division Directors were more involved. According to interviews, budget meetings stopped altogether when the Business Manager position was transferred out of OEMS to SBS, and their only internal source of information for funding availability was the former OEMS Associate Director.

Based on multiple interviews with OEMS leadership, OEMS staff, and Regional EMS Council Directors, OIA determined that OEMS leadership fostered a culture of operating as a separate entity from VDH and mistrusting VDH leadership's intent regarding EMS funds. As a result, this impacted collaboration during the formation of SBS. According to interviews and review of documentation, OEMS leadership indicated no desire to cooperate with the new model of the SBS from the very beginning. OIA also determined from interviews and observation of financial, procurement, and human resources activities that OEMS leadership and staff disregarded VDH and State administrative policies and procedures.

Transition of Administrative Staff to SBS

Based on interviews with OEMS staff, there was dissatisfaction regarding the seven administrative positions who reported to SBS supervisors in VDH Central Office, but were funded by OEMS. These positions were SBS Business Manager (position EM009), three Fiscal Technicians (00160, 04710, 08715), Buyer Senior (EM022), HR Analyst (EM023), and Office Services Assistant (EMX42).

The Buyer Senior and HR Analyst transferred from their SBS positions (EM022 and EM023 respectively) to OEMS, having applied and were hired in programmatic positions - Human Services Program Coordinator (02322) and Policy Analyst (EM039) respectively. Once back at OEMS, they resumed many of the same procurement and human resources duties for OEMS as they did in their SBS positions.

From interviews and a review of F&A position transactions, OIA determined that the OEMS-funded SBS Business Manager position (EM009) had turnover and vacancies multiple times. According to F&A, the position was vacant when the position was moved to SBS in December 2019 and filled in May 2020. The position was vacated again in April 2022 and filled in October 2022. OIA noted that agency-wide, Business Managers perform key administrative functions.

OEMS and VDH Central Office staff gave conflicting accounts regarding their understanding of whether the SBS Business Manager position (EM009) would continue to serve OEMS after the 2022 vacancy was filled. Based on interviews with OEMS leadership and VDH Central Office staff, the reclassification of the former HR Analyst's program position (EM039) into an OEMS Business Manager occurred in December 2022, which resulted in delays with processing human resources transactions due to confusion over which position was authorized to approve the transactions.

OEMS Associate Director Position and Responsibilities

OIA determined from interviews with OEMS staff that there was a lack of segregation of duties for administrative functions within OEMS. OEMS staff indicated the former OEMS Associate Director continued to perform administrative/financial duties after SBS was created, such as approving invoices, making procurement and contract administration decisions, providing information on fund balances data, and supervising administrative employees such as the Fleet Coordinator.

Based on SBS and VDH Office of Financial Management (OFM) staff interviews, it was their understanding that the former OEMS Associate Director, who created the FY2023 budget, was performing budget monitoring. However, the former OEMS Associate Director stated in interviews the position's role changed, which meant no longer being responsible for the administrative/financial duties previously performed as the OEMS Business Manager. However, OIA determined from a review of the former OEMS Associate Director (position 08316) Employee Work Profile (EWP), that the EWP had not been revised to remove the duties they claimed to no longer be performing.

Shared Business Services (SBS) Roles and Responsibilities

According to OEMS and VDH Central Office staff, SBS roles and responsibilities were not clearly defined, documented, or acknowledged, and kept changing and evolving. OEMS staff stated in interviews that they had concerns that SBS individuals working on OEMS tasks were too far removed to understand OEMS's Code-mandated funding sources, and OIA reviews of e-mail exchanges and F&A transactions indicated this was a valid concern. OIA determined there was no clear delineation of roles and responsibilities between SBS and VDH Central Office administrative offices.

OEMS and VDH Central Office staff stated in interviews that the new SBS processes were significantly less efficient. OIA determined that splitting the steps of the administrative processes between OEMS and SBS created a disconnect in the process flow and audit trail. OIA determined tools were developed by SBS such as Internal Purchase Requisitions (IPR), Accounts Payable mailboxes, and the SBS Tracking, Logging and Reporting (STLAR) system. However, OEMS staff stated in interviews that these additional steps in administrative processes were not adequately communicated in a way that made clear who was responsible

for what and caused even more delays in accomplishing tasks. In addition, turnover and extensive vacancies in SBS worsened the communication issues and led to delays and errors in completing F&A transactions, resulting in duplicate payments to vendors, obstacles to performing operational responsibilities, and complaints from EMS stakeholders and vendors. One such obstacle was the processing of Small Purchase Charge Cards (SPCC). OIA reviewed 25 SPCC from FY2021-FY2023 and identified that 12 of 25 (48%) SPCC logs tested had purchases with no purchase order number or invoice number tied to the purchase. Additionally, OIA determined that in FY2023 credit card charges account, there were expenditures of \$7,956. The account is supposed to be zero by year end and all expenditures should be allocated into their appropriate expenditure accounts.

Reclassification of OEMS positions

Based on OIA’s review of position changes in OEMS, OIA identified that OEMS used reclassified positions to maintain some autonomy of their administrative functions when the VDH Central Office was transitioning to the SBS. In the case of EM039, the position was established July 1, 2021. The table below reflects generally when their title or work location changed between FY2019 and FY2023:

	08316	EM009	EM039	
FY2019	OEMS Business Manager	OEMS Accountant		
FY2020	OEMS Associate Director	OEMS Business Manager		
FY2021		SBS Business Manager		
FY2022				OEMS Policy Analyst
FY2023				OEMS Business Manager

According to F&A, OEMS changed the role of the OEMS Business Manager (08316) position into an OEMS Associate Director position, and changed the vacant Accountant (EM009) position into an OEMS Business Manager position.

The role code used for the F&A transactions and on the EWP used working title Administrative Deputy, even though the title on the OEMS organizational chart was noted as OEMS Associate Director. The EWP for the OEMS Associate Director also indicated that this position, not the OEMS Director, would be supervising the OEMS Business Manager. When SBS took over the SBS Business Manager (EM009) position, they did not revise the OEMS Associate Director EWP.

OIA also determined that OEMS changed the role of the Policy Analyst (EM039) position from OEMS Policy Analyst to OEMS Business Manager so the employee could maintain their HR access. OIA noted the F&A transaction indicated that the OEMS Business Manager would report to the OEMS Associate Director, which is generally not the way this position is reported in the chain of command. According to the former OEMS Director and the former OEMS Associate Director, the OEMS Associate Director position is programmatic, despite having a working title of Administrative Deputy on the EWP and in F&A. According to VDH practice, the OEMS Business Manager should be reporting to the OEMS Director, not the OEMS Associate Director.

Based on a review of the new OEMS Business Manager (EM039) EWP, three of the employees that the OEMS Business Manager position is responsible for supervising are Fiscal Technicians. However, according to F&A at the time of the review, those three positions still reported to SBS. OIA also determined based on discussions with the OEMS Business Manager

that training was not provided by the former OEMS Associate Director for the non-HR responsibilities listed on the EWP.

Leadership Recommendations

Recommendation 1: We recommend the OEMS Director communicate with all OEMS Deputy Directors and OEMS staff a commitment to working with VDH leadership and Central Office administrative offices such as Office of Financial Management (OFM), Office of Human Resources (OHR), and Office of Procurement and General Services (OPGS) on improving collaboration and adhering to all Code of Virginia requirements, and VDH and State policies and procedures.

Recommendation 2: We recommend the OEMS Director and OEMS Deputy Director Trauma and Administration determine and communicate clear delineation of responsibilities and proper segregation of duties regarding administration functions such as Budget, Procurement, Accounts Payable, and Human Resources, in both a process and position level.

Recommendation 3: We recommend the VDH Chief Operating Officer and VDH Deputy Commissioner for Administration evaluate VDH Central Office processes to remove inefficiencies, establish performance metrics, and regularly evaluate metrics for procurement, financial, and human resources transactions for OEMS programs through processes such as Budget/Financial meetings or Monthly Operating Review meetings.

Recommendation 4: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, VDH Chief Operating Officer and VDH Deputy Commissioner for Administration establish a method for communication between OEMS and VDH Central Offices operations regarding administrative transactions, with built in accountability for who is responsible at each step in the process.

Recommendation 5: We recommend the OEMS Director and OEMS Deputy Director Trauma and Administration work with the VDH HR Business Partner assigned to OEMS to determine whether the OEMS Associate Director position needs to be eliminated. If the position is maintained, the roles and responsibilities of the OEMS Associate Director (08316) position should be clarified, and the EWP revised to ensure the roles and responsibilities are clearly stated prior to filling the position.

Recommendation 6: We recommend the OEMS Director and OEMS Deputy Director Trauma and Administration work with the VDH HR Business Partner assigned to OEMS to review the OEMS Human Services Program Coordinator (02322) and OEMS Business Manager (EM039) positions to ensure the roles and responsibilities are clearly stated and revise the EWPs, as necessary.

Recommendation 7: We recommend the OEMS Director and OEMS Deputy Director Trauma and Administration work with the VDH HR Business Partner assigned to OEMS to review and revise the reporting structure for the OEMS Business Manager (EM039) position, as needed.

Recommendation 8: We recommend the OEMS Director and OEMS Deputy Director Trauma and Administration work with the VDH HR Business Partner assigned to OEMS to revise the OEMS Business Manager (EM039) EWP to clearly state what positions the OEMS Business Manager will manage.

Recommendation 9: We recommend the VDH Deputy Commissioner for Administration and OEMS Deputy Director Trauma and Administration ensure the OEMS Business Manager is properly trained and given the resources to assume their role and responsibilities according to their EWP.

Recommendation 10: We recommend the OEMS Deputy Director Trauma and Administration and OEMS Business Manager ensure OEMS SPCC cardholders only charge their SPCC for purchases that support OEMS objectives and programs.

Recommendation 11: We recommend the OEMS Deputy Director Trauma and Administration and OEMS Business Manager ensure OEMS SPCC cardholders include an invoice or PO # on all SPCC logs.

Recommendation 12: We recommend the OEMS Deputy Director Trauma and Administration and OEMS Business Manager ensure OEMS SPCC cardholders reconcile SPCC charges at least monthly and by year end.

2. Budget

OEMS Budget Monitoring

Based on interviews with OEMS staff, prior to turnover in the OEMS Business Manager position in 2016 and the formation of SBS in 2019, there was much more collaboration within OEMS regarding development and tracking of the budget. OIA determined that there was a lack of communication between the former OEMS Director, former OEMS Associate Director and the OEMS Division Directors, where there was lack of transparency and discussion on the creation and monitoring of the OEMS budget. OEMS staff stated the former OEMS Associate Director instructed them to use the previous year as a benchmark for their budgets. Also, OIA determined a monthly reconciliation was not performed to ensure accuracy for the expenditures in OEMS.

According to interviews with OEMS staff, it was generally understood that the former OEMS Associate Director monitored the OEMS budget and knew the funding availability for OEMS programs and activities. Based on interviews, financial decisions were routed through the former OEMS Associate Director who should have known how much revenue was available in various funds such as the Return to Locality Fund, Rescue Squad Assistance Fund, and Trauma Center Fund.

Based on interviews with the former OEMS Director, the former OEMS Associate Director never indicated OEMS was in financial trouble. The former OEMS Director indicated lack of awareness that the transfer of the Special EMS \$2 Fund to the Treasury was also short in FY2022 in addition to FY2023. It was the former OEMS Director's understanding that FY2023 was the first year there was a deficit, and OEMS operated under a surplus.

VDH Central Office Budget Monitoring

Based on interviews with VDH Central Office staff, it was the practice in the VDH Central Office for SBS Business Managers to monitor the budget. According to the former OEMS Associate Director, when the SBS Business Manager responsible for OEMS resigned in 2022, the former OEMS Associate Director was asked to do the FY2023 budget for OEMS, and was the one who the former VDH OFM Budget Analyst sent updates every month on the status of

the OEMS budget.

The former VDH OFM Budget Analyst for OEMS stated in an interview that budget status e-mails were sent to the former OEMS Associate Director, and later began to be copied to the former OEMS Director when a response was not received. The former OEMS Associate Director stated not being concerned about the shortages in certain project codes as there was always a fluctuation in cash flows.

The former OEMS Associate Director stated that the former VDH OFM Budget Analyst asked questions about appropriations in budget status e-mails, indicating that they were unaware that OEMS operated on a cash basis. A review by OIA of e-mails from the former VDH OFM Budget Analyst showed that the former VDH OFM Budget Analyst also did not have a clear understanding of the nature of OEMS funding and restrictions placed on project codes, advising to use a different project code in the Four-for-Life 02130 fund when other project codes in the 02130 fund were overspent. OIA also determined from interviews that the former VDH OFM Budget Analyst did not escalate to the VDH OFM Deputy Director for Budget when the former OEMS Associate Director continued to dismiss the e-mails related to funding shortages.

OEMS Budget Analysis

OIA determined that OEMS did not utilize the annual budget to make informed financial decisions as required by the Department of Accounts (DOA) Commonwealth Accounting Policies and Procedures (CAPP)¹. OIA obtained the OEMS budgets from FY2019 to FY2023, and performed a comparative analysis among the budgets. OIA compared the budgets for all account groups and Chart of Account (COA) codes. The budgets varied dramatically from year to year. Personnel, Contractual, and Supplies expenses had a net increase from 2019 to 2023 of at least \$1.5 million each. The budget category that fluctuated the most was transfers (governmental, nongovernmental, individual) with a net decrease of \$24 million in the amount budgeted in that category between 2019 and 2023.

OIA then compared the COA code budgets to actual expenditures from FY2021 to FY2023. There were also large variances between the budgeted amounts of a project and the actual amounts spent. The COA codes that tended to be significantly over budget were Planning and Development and Regional EMS Councils. The COA codes that tended to be significantly under budget were Grants to Rescue Squads and Return to Localities. These analyses showed a lack of monitoring of the budgets, or use of the data to inform future budget and expenditure decisions.

OIA analyzed payroll expenditures in F&A from FY2019 to FY2023. OIA identified an increase in salary expenditures and a decrease in the number of employees. This was due to filling key positions with higher salaries and not retaining wage employees with lower salaries. OIA also used the reports to review contractor payroll and found that clerical contractor expenditures more than doubled after FY2021. Based on the analysis, IT contractors' cost OEMS between \$600 thousand and \$1 million annually to support OEMS systems.

OIA was unable to determine how many IT contractors were paid using OEMS funds or whether these contractors were working on OEMS systems full time.

¹ CAPP Topic 20110 states, "Agencies should establish sufficient internal controls to ensure adequate expenditure monitoring."

The table below reflects the F&A contractor expenditure increases between 2019 and 2023. The rows labeled “CLERI SVS” are Clerical Services and the rows labeled “DP SVS ST” are Information Management Design and Development Services:

	2019	2020	2021	2022	2023	Grand Total
4forlife Fund	\$ 1,042,977.20	\$ 1,329,494.07	\$ 1,507,165.90	\$ 2,374,955.02	\$ 1,805,193.43	\$ 8,059,785.62
CLERI. SVS	\$ 170,209.89	\$ 554,585.55	\$ 520,922.18	\$ 1,353,204.90	\$ 1,204,928.98	\$ 3,803,851.50
DP SVS ST.	\$ 872,767.31	\$ 774,908.52	\$ 986,243.72	\$ 1,021,750.12	\$ 600,264.45	\$ 4,255,934.12
RSAF	\$ -	\$ 176,605.00	\$ -	\$ 1,171.20	\$ -	\$ 177,776.20
CLERI. SVS				\$ 1,171.20		\$ 1,171.20
DP SVS ST.		\$ 176,605.00				\$ 176,605.00
Grand Total	\$ 1,042,977.20	\$ 1,506,099.07	\$ 1,507,165.90	\$ 2,376,126.22	\$ 1,805,193.43	\$ 8,237,561.82

During payroll testing, OIA determined that several employees were being paid from the Four-for-Life special funds but did not share the same cost code as OEMS employees. After further testing, OIA identified five VDH employees who did not work for OEMS, but were being paid by OEMS funds. In addition, OIA identified three more VDH employees who only worked for OEMS 75% of the time, but were paid fully by OEMS funds.

Budget Recommendations

Recommendation 1: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager ensure that all OEMS Division Directors responsible for fiscal decisions regarding their division have input on creating the budget, have access to their budgets with funds coming in and going out, and regular communication from the OEMS leadership regarding status updates of their budgets. This will ensure that there is ongoing communication on the needs of the Divisions, including allowing for any increase in OEMS costs of doing business to be included in the budget.

Recommendation 2: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager establish segregation of duties and an internal review, approval, and reporting process for OEMS transactions to ensure accountability at all levels for fiscal decisions made for OEMS programs and activities.

Recommendation 3: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager work with the VDH Deputy Commissioner for Administration and VDH OFM Deputy Director for Budget to determine and communicate clear delineation of responsibilities for creating, approving, and monitoring the OEMS budget and the special funds that they have.

Recommendation 4: We recommend the OEMS Director, VDH Deputy Commissioner for Administration, and VDH OFM Deputy Director for Budget establish an escalation process, including accountability for actions taken when the OEMS Director, OEMS Deputy Director Trauma and Administration, and/or OEMS Business Manager are not properly or timely responding to budget concerns or when the Offices operate in a deficit.

Recommendation 5: We recommend the OEMS Director, VDH Deputy Commissioner for Administration, and VDH OFM Deputy Director for Budget ensure that the VDH OFM Budget Analyst assigned to OEMS is properly trained to understand how OEMS is funded with the

special funds and the unique requirements for spending to ensure compliance with the Code of Virginia.

Recommendation 6: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration and OEMS Business Manager optimize the OEMS budget to account for expected revenue in each fund and have the proper percentages for each Four-for-Life project budgeted for each fiscal year.

Recommendation 7: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration and OEMS Business Manager consult with the VDH Deputy Commissioner for Administration, VDH OFM Director, and VDH OFM Deputy Director for Budget to review and correct all instances where employees and contractors are being incorrectly paid with OEMS funds, and ensure that this is no longer occurring.

Recommendation 8: We recommend the OEMS Deputy Director Trauma and Administration and OEMS Business Manager work with the VDH OFM Director and VDH OFM Deputy Director for Budget to review all OEMS cost codes at the COA level, and eliminate any that are no longer used or needed.

3. Trauma Center Fund

According to the Code of Virginia §18.2-270.01, “the Trauma Center Fund is established for the purpose of defraying the costs of providing emergency medical care to victims of automobile accidents attributable to alcohol or drug use. A portion of the fees collected by the Commonwealth for the reinstatement of revoked or suspended drivers’ licenses and repeat DUI offenders are deposited into the Trauma Center Fund.”

Also, according to the Code of Virginia §18.2-270.01, “The Department of Health shall develop, on or before October 1, 2004, written criteria for the awarding of such grants that shall be evaluated and, if necessary, revised on an annual basis.” Pursuant to the Code requirement, a Trauma Center Disbursement Policy has been established and is reviewed and revised as needed every year by a Trauma Fund Panel, appointed by the Chairperson of the Trauma Administrative and Governance Committee, a subcommittee of the EMS Advisory Board.

Trauma Center Fund Analysis

OIA reviewed Code of Virginia § 18.2-270.01 for the Trauma Center Fund for compliance with the Code by OEMS. OIA also reviewed the Trauma Center Distribution Policy for compliance, which explains that all disbursements to Trauma Centers will take place after all liabilities to the General Fund are paid. OIA determined that Code of Virginia § 18.2-270.01 does not include this language that liabilities to the General Fund have to be paid prior to disbursements.

OIA tested FY2019 to FY2023 Trauma Center Fund revenues and expenditures for compliance with the Code of Virginia. OIA determined that there was a surplus of revenue at the end of FY2023 for the Trauma Center Fund, which indicates that the fund does not fully deplete every year. Additionally, in FY2023, OEMS did not pay two Trauma Centers the funds they were owed according to the FY2022 distribution calculation. OIA determined that payments appear to have been made consistently every fiscal year, but after FY2019, payments were routinely late as the table below indicates:

FY	FY end	Date Paid	Amount Late
FY2020	6/30/2020	10/19/2020	3.5 Months
FY2021	6/30/2021	3/16/2022	9.5 Months
FY2022	6/30/2022	6/27/2023	12 Months
FY2023	6/30/2023	TBD	8 Months late as of testing

At the end of FY2022, there were insufficient funds available in the Four-for-Life fund to make the required transfer of \$12,518,587 to the general fund, so the former OEMS Associate Director initiated a journal entry to charge the Trauma Center Fund with \$2.36 million of expenses that were originally charged to the Four-for-Life fund. This moving of expenses had the effect of transferring cash out of the Trauma Center Fund and into the Four-for-Life fund. However, as these expenses were related to Four-for-Life programs, OIA determined that charging the Trauma Center Fund for these expenses was not in accordance with Code of Virginia § 18.2-270.01². OIA noted in FY2023, the former OEMS Associate Director tried to initiate a similar journal entry for \$11 million, but the entry was not approved by the VDH OFM Deputy Director for Budget because the expenses were not Trauma Center Fund related, and therefore not in accordance with Code of Virginia § 18.2-270.01.

OIA determined based on interviews that the Trauma Division Director required input from the former OEMS Associate Director on payments to Trauma Centers. The Trauma Division Director did not have access in F&A to see the revenue as it accrued, instead the former OEMS Associate Director would provide the data on how much funding was available to make the disbursements.

Trauma Center Fund Recommendations

Recommendation 1: We recommend the OEMS Director and OEMS Trauma and Critical Care Division Director work with the VDH OFM Director and VDH OFM Deputy Director for Budget to establish a process to ensure all Trauma Center Funds are properly budgeted and timely disbursed to the qualifying Trauma Centers by the end of the fiscal year, possibly through quarterly payments.

Recommendation 2: We recommend the OEMS Director and OEMS Trauma and Critical Care Division Director ensure that Trauma Center Funds are only used to make disbursements to qualifying Trauma Centers, and Trauma Center funds are properly used for trauma specific activities only.

Recommendation 3: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Trauma and Critical Care Division Director review and provide justification for the Trauma Center Distribution Fund policy language, or remove it from the policy to remain consistent with Code of Virginia § 18.2-270.01.

Recommendation 4: We recommend the OEMS Director and OEMS Deputy Director Trauma and Administration ensure the OEMS Trauma and Critical Care Division Director is involved in the budget, expenditure, and reporting of Trauma Center Funds, and ensure that carryover funds are minimized.

² Code of Virginia §18.2-270.01 establishes the Trauma Center Fund and states “[t]he Department of Health shall award and administer grants from the Trauma Center Fund to appropriate trauma centers...”

Recommendation 5: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Trauma and Critical Care Division Director ensure that the required annual reports of the projected use and actual use of trauma funds are submitted by the November 15 and February 15 deadlines.

Recommendation 6: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Trauma and Critical Care Division Director ensure that financial audits are performed for Trauma Centers that receive \$200K or more per year, or audits as needed for Centers that receive less than \$200K.

4. Four-for-Life Fund

Compliance to the Code of Virginia

OIA interviewed OEMS staff to understand what oversight accountability there is of the programs funded by the Four-for-Life fund. OIA determined based on interviews that there are no committees, boards, or panels that oversee the Four-for-Life fund. The fund is established by the Code of Virginia, which specifically mandates how the OEMS funds are to be spent.

Four-for-Life Expenditures Analysis

Code of Virginia § 46.2-694 establishes the Four-for-Life fund and states that revenue will be collected through a fee on vehicle registrations and explains the funding allocated from the Four-for-Life program annually by percentage for specific objectives. When asked how the Four-for-Life fund was managed by OEMS, OEMS leadership stated that they follow the guidelines laid out by the Code of Virginia.

OIA tested expenditures from FY2019 to FY2023, and OIA determined the expenditure allocations did not comply with the Code of Virginia for any of the years. OIA determined FY2022 and FY2023 allocations do not add up to 100% due to expenditures not made within the project codes. The table below shows the breakdown of spending by project:

Category	Required	FY2019	FY2020	FY2021	FY2022	FY2023
Training/Retention	30%	25%	40%	35%	26%	66%
OEMS budget	10%	8%	9%	12%	12%	16%
Return to Locality	26%	38%	0%	18%	23%	8%
Volunteer Rescue Squad	2%	1%	2%	1%	1%	1%
RSAF	32%	27%	49%	34%	32%	23%
	100%	100%	100%	100%	94%	114%

Percentages highlighted in yellow indicate where expenditures were greater than the Code required allocation. Expenditures were further reviewed, and OIA determined that some categories were overspent every year due to increasing amounts of OEMS-related expenses managed by the Regional EMS Councils for statewide projects.

Four-for-Life Journal Entries

Due to overspending in the Four-for-Life fund, the former OEMS Associate Director made journal entries every fiscal year except FY2021 to move expenses out of that fund, and into the Trauma Center Fund and the RSAF. The journal entries, which varied from year to year, resulted in a total decrease in cash of \$2.36 million from the Trauma Center Fund and \$4.13 million from the RSAF to increase cash in the Four-for-Life fund to be able to make the general fund transfer at the end of the fiscal year.

Rescue Squad Assistance Fund (RSAF)

According to interviews with the OEMS Grants Manager, the process for awarding RSAF grants is very intensive. The process involves program representatives, Regional EMS Councils, and technical graders. The Financial Assistance Review Committee (FARC) reviews all the grades and comments and chooses which requests are granted based on the grading system. OIA noted the OEMS Director, the VDH Deputy Commissioner for Public Health Preparedness, and the State Health Commissioner are designated to sign the awards. OIA also determined there are no internal procedures for FARC beyond what is required in the Code of Virginia § 32.1-111.12:01.

According to the OEMS Grants Manager, if an organization is awarded an RSAF grant, the organization has 60 days to sign a Memorandum of Agreement (MOA), which is also signed by the OEMS Director. OIA determined that it was unclear if these MOAs function in the same way as the MOAs required to adhere to VDH's Delegated Procurement Authority. OIA determined RSAF grants are commonly more than \$50,000, which is the delegated authority maximum for Office Directors.

According to the OEMS Grants Specialist, in addition to the regular RSAF grants, there are special initiative grants, which are awarded on an infrequent basis as decided on by the EMS Advisory Board and OEMS according to needs in the EMS community. An announcement is sent out to all the EMS agencies, and the EMS agencies can apply. The decision of who are granted the special initiative awards is made by OEMS, however it doesn't go through FARC. Like the regular RSAF grant process, the State Health Commissioner is designated to approve the award list, and MOAs with the EMS agencies are signed by the OEMS Director.

According to the Western Virginia EMS Council (WVEMS) Director, the two RSAF grants that were awarded to WVEMS for the Data Project were considered special initiatives, but did not follow the same process as the others. The WVEMS Executive Director stated he was given a blank application to fill out and the awards were subsequently made. OIA could not determine whether the State Health Commissioner approved the two awards, which totaled \$8.3 million based on review of F&A expenditures.

Return to Locality (RTL) Disbursements Analysis

OIA also reviewed RTL disbursements and reconciled disbursements from FY2018 to FY2023. OIA determined localities have provided the proper documentation to receive their funding, but OEMS has not submitted the payments. At the time of testing, the amount owed to localities with documentation was \$5,089,155. Due to the overspending at OEMS, there has not been enough funds to make the RTL disbursements.

OIA determined during testing that OEMS also paid six RTL obligations twice. One was

refunded back to OEMS, however at the time of testing, five payments were not refunded, costing OEMS \$54,722. Also, OIA determined that a total of \$4,763,523 in RTL disbursements were paid out of RSAF, which is not in compliance with the Code of Virginia. The RSAF and RTL funding streams are defined as separate items in the Four-for-Life fund.

OIA determined that there is insufficient guidance and oversight of Four-for-Life programs. According to the OEMS Grant Manager, there is no guidance for specific circumstances, such as what to do when a locality misspends its RTL funds and are suspended. Based on interviews with OEMS staff, reports are mainly programmatic in nature, not fiscal. The closest would be that RSAF creates a financial report of the awards, and RTL has live reports from the dashboard on finances. Some information is included on the quarterly report to the EMS Advisory Board.

Four-for-Life Recommendations

Recommendation 1: We recommend the OEMS Director and OEMS Deputy Director Trauma and Administration establish written procedures for managing Four-for-Life funds to include controls and accountability to ensure compliance with the Code of Virginia requirements, and State and VDH internal policies and procedures.

Recommendation 2: We recommend the State Health Commissioner and Deputy for Population Health and Preparedness establish a method of accountability for the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager to ensure that Four-for-Life funds are properly managed and spent to ensure compliance with the Code of Virginia requirements for OEMS programs.

Recommendation 3: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager closely monitor spending in each project code for the Four-for-Life funds to ensure compliance with the Code of Virginia requirements for OEMS programs.

Recommendation 4: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager develop a tool for OEMS Four-for-Life obligations for better tracking and monitoring, and annual reporting to the Board of Health on the OEMS Four-for-Life fund.

Recommendation 5: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager develop a written internal procedure to reconcile and monitor RTL disbursements to avoid duplicate payments to localities.

Recommendation 6: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager make RTL disbursements from the Four-for-Life fund only, and not use other funds, such as the RSAF, to make such disbursements.

Recommendation 7: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager monitor spending to ensure no funding source in the Four-for-Life fund is overspent and journal entries to transfer money are not made without reasonable justification and written supporting documentation.

Recommendation 8: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, OEMS Business Manager, and OEMS Grants Manager/EMS System Funding review the RTL share of EMS Four-for-Life policy to make sure localities are

compliant with the policy and properly using the funds as outlined in the policy based on review of supporting documentation.

Recommendation 9: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, OEMS Business Manager, and OEMS Grants Manager/EMS System Funding encourage the use of RTL funds within one year, and discourage the carryover of funds for multiple years as outlined in the policy.

5. Regional EMS Councils

Hybrid and Traditional Regional EMS Councils

OIA interviewed OEMS staff and Hybrid Regional EMS Council Directors to understand the nature of Hybrid Regional EMS Councils and the transition of Regional EMS Councils to Hybrid from Traditional status. OIA determined that OEMS leadership were not clear on whether the creation of Hybrid Regional EMS Councils was compliant with the Code of Virginia and the intended purposes of the Regional EMS Councils.

Based on interviews with OEMS leadership and Hybrid Regional EMS Council Directors, OIA determined the intended structure of the Hybrid model changed in significant ways since the approval of the first Hybrid model. OIA determined changes were made to the Hybrid MOUs, but still lacked clarity about what deliverables are expected, what will be funded and how, and administrative processes and requirements. A key feature of Hybrid Regional EMS Councils that has not changed is that the Hybrid Regional EMS Council Directors are State employees directly reporting to OEMS.

OEMS staff and Hybrid Regional EMS Council Directors gave various responses in interviews about how the MOUs have changed for Hybrid Regional EMS Councils. For example, there was no consensus on whether the \$250K compensation in the current MOU was a set amount or a ceiling amount, or whether the MOUs could have modifications. Responses also were varied on how Hybrid Regional EMS Councils submitted monthly invoices for operational expenses and separately the programmatic expenses submitted with the workplan. OEMS staff and Hybrid Regional EMS Council Directors indicated general agreement that there was intention to have a budget with the workplan. However, according to interviews, when the new MOU was received it had few differences from the previous MOU and didn't have a budget.

Based on interviews with OEMS leadership and Regional EMS Council Directors, and reviews of MOUs, OIA determined OEMS's approach to managing Hybrid versus Traditional Regional EMS Councils fiscally and programmatically has diverged enough for there to be a disparity between the two models. Management of the Hybrid Regional EMS Councils moved from the Community Health and Technical Resources (CHaTR) Division to the OEMS Assistant Director.

OIA determined OEMS played a more direct role in maintaining the Hybrid Regional EMS Councils' infrastructure. According to interviews, the guidance Hybrid Regional EMS Council Directors received was more one directional, but also more collaborative. Hybrid Regional EMS Council Directors also had more access to VDH data and communications, so the Hybrid Regional EMS Council MOUs included confidentiality terms and conditions.

OIA determined Traditional Regional EMS Council MOUs have more reporting requirements

than Hybrid Regional EMS Councils, as well as different compensation provisions and methods of payment. Traditional Regional EMS Councils are paid at a fixed rate with deliverables. The bulk of the payments are used for salaries. During the review of F&A expenditures, OIA determined five of the Regional EMS Councils were not paid for their third quarter at the end of FY2023 due to OEMS funds not being available at the end of fiscal year 2023. To date, OIA determined the Regional EMS Councils payments have been made.

In the most recent MOU executed for Traditional Regional EMS Councils, OIA determined that OEMS offered the Traditional Regional EMS Councils the ability to be reimbursed for bookkeeping and audit expenses. They factored this reimbursement into their budget, but when they invoiced OEMS, they were told by OEMS staff that these charges had to be taken off because the MOU did not give specific amounts that could be reimbursed.

For the Hybrid Regional EMS Councils, what was reimbursed depended on the infrastructure costs that would be covered by OEMS; for example, whether the office space was rented or owned. According to OEMS leadership, the intent for increases in Hybrid Regional EMS Council expenditures was that there would be savings in the long run. Covering the costs directly, rather than through the MOUs, would lead to standardization and economies of scale. However, because of the infrastructure differences in the Hybrid Regional EMS Councils, OIA determined there has not been standardization or clarification regarding coverage of operational expenses.

OIA reviewed expenditures OEMS paid to or on behalf of Hybrid Regional EMS Councils from the F&A system. OIA determined the Hybrid Regional EMS Councils continued to bill for quarterly amounts comparable to before they became Hybrids, as well as bill for infrastructure costs. From FY2020, after the first State employee position at a Hybrid Regional EMS Council was filled through FY2023, OEMS paid salaries that totaled \$2.5 million for the four Hybrid Regional EMS Councils, and directly ordered equipment sent to the Hybrid Regional EMS Councils totaling \$682,928. The equipment was charged to the Regional EMS Council project code but not tied to the specific Regional EMS Council, adding to the difficulty of tracking expenditures individually for each Regional EMS Council.

In their interviews, the Hybrid Regional EMS Council Directors understood that as State employees they were required to follow State policies and procedures. Two of the Directors stated that they asked for the State policies and procedures, and were not given any. For the non-profit part of the Council, they indicated they do not have to follow State policies, but their internal policies are similar.

Traditional Regional EMS Council Directors indicated in interviews they do not have to follow State policies because they are a non-profit, and indicated they have their own policies which are often based on local government policies. They also stated they do have to follow the VDH Travel Policy if they get a travel reimbursement from OEMS.

According to the OEMS staff, equipment belongs to the Regional EMS Councils, and OEMS doesn't generally track equipment except in cases where OEMS has gifted equipment to the Regional EMS Councils. OIA determined OEMS doesn't keep an inventory of Traditional Regional EMS Council equipment. In interviews, the Hybrid Regional EMS Council Directors have the perspective that whoever purchased the equipment owns it, as only one Council mentioned creating an inventory list.

OIA determined there is confusion as to whether Regional EMS Councils, whether Hybrid or

Traditional, should follow State and VDH policies. There is no overarching written guidance for Traditional or Hybrid Regional EMS Councils outside of the Code of Virginia that delineates which VDH and State policies and procedures must be followed (i.e. Virginia Public Procurement Act, State Travel Regulations, FAACS), who should follow them (Hybrid versus Traditional), and under what circumstances would compliance to the VDH and State policies and procedures apply.

Contract Modifications and Statewide Projects

According to interviews, under the previous OEMS Business Manager who retired in 2016, the Regional EMS Council MOU compensation amounts stayed the same year to year. During that time, Regional EMS Councils applied to the RSAF grant program for any special needs. Once the new OEMS Business Manager came on board, the process changed with the 5-year MOUs executed in 2017. Based on interviews, OIA determined the Regional EMS Councils could now request contract modifications. The former OEMS Associate Director and the Community Health and Technical Resources (CHaTR) Director would determine if the requests were reasonable, and the former OEMS Associate Director determined whether OEMS could afford it.

Based on interviews with Regional EMS Council Directors, the contract modifications were intended to be in lieu of applying for RSAF grants. Unlike the RSAF grant process, there was no official method for requesting submissions. According to interviews, the requests were not always granted, and the same opportunity may not be extended year after year. Most modifications were a one-time cost, such as purchase of a vehicle or other equipment replacement. Other modifications were for ongoing costs such as 5% increases in quarterly payments or salaries. Based on interviews with the OEMS leadership and Regional EMS Council Directors, they indicated that there was a cost savings when Regional EMS Councils made purchases instead of OEMS, because the purchases were not made under State contracts.

Based on interviews, OIA determined it was a practice of OEMS to have WVEMS run the Symposium. The Symposium was supported by OEMS funds, and in recent years the same practice has been applied to other projects, such as HandTevy, VECTOR, IT Infrastructure, Scholarships, and the Patient Care Information System. According to the Regional EMS Council Directors, most of the statewide projects were managed by OEMS, with the Regional EMS Councils only processing expenditures.

There were multiple changes in fiscal practices and how contracts were administered with the Hybrid and Traditional Regional EMS Councils, without accompanying standardized procedures and accountability. These changes led to inconsistencies, bypassing of VDH and State policies and procedures, and the inability to track OEMS expenditures for budget purposes.

During testing, OIA reviewed data which included F&A expenditures for all Regional EMS Councils, as well as F&A payroll reports for Hybrid Regional EMS Council employees, building lease payments to Department of General Services (DGS) for Hybrid Regional EMS Councils, and expenditures of equipment paid directly by OEMS for Hybrid Regional EMS Councils. The expenditures were extrapolated into categories using the invoices, all Regional EMS Council MOUs and modifications, and queries made to Regional EMS Council staff. Documentation and details were not always available, so placement in categories are estimates only and may not include all expenditures.

OIA obtained F&A expenditure reports for all Regional EMS Councils and reviewed detailed supporting documentation, which was only maintained in the F&A system after calendar year 2020. The table is a compilation of the expenses separated into the categories below:

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Total per category
MOU quarterly payments	\$ 3,131,396.00	\$ 3,157,666.00	\$ 3,236,444.85	\$ 3,249,026.22	\$ 3,270,691.19	\$ 3,387,997.97	\$ 3,523,096.87	\$ 3,218,987.24	\$ 26,175,306.34
RSAF Grants	\$ 233,027.49	\$ 161,310.59	\$ 116,478.50	\$ 25,376.29	\$ 45,678.28	\$ 31,964.40	\$ -	\$ 45,948.60	\$ 659,784.15
RSAF misc, auxiliary CEs	\$ 23,319.34	\$ 22,270.74	\$ 237,359.00	\$ 663,301.41	\$ 74,088.50				\$ 1,020,338.99
Misc RC reimbursements	\$ 10,695.00	\$ 2,750.00	\$ 95,249.27	\$ 226,080.31	\$ 150,518.23	\$ 138,948.75	\$ 712,344.24	\$ 388,423.20	\$ 1,725,009.00
Hybrid Salaries					\$ 106,705.64	\$ 501,601.35	\$ 790,755.43	\$ 1,089,333.22	\$ 2,488,395.64
Hybrid Equipment						\$ 186,331.35	\$ 99,884.76	\$ 396,712.04	\$ 682,928.15
Hybrid building leases							\$ 154,031.51	\$ 244,611.86	\$ 398,643.37
Statewide Miscellaneous						\$ 385,673.05	\$ 500,297.48	\$ 914,902.24	\$ 1,800,872.77
Blackboard						\$ 540,260.00			\$ 540,260.00
HandTevy							\$486,181.30	\$382,882.92	\$ 869,064.22
VECTOR							\$ 139,050.00		\$ 139,050.00
Scholarships							\$1,985,341.40	\$ 2,088,352.80	\$ 4,073,694.20
IT Infrastructure						\$ 126,459.35	\$ 164,953.40	\$ 136,045.62	\$ 427,458.37
Symposium					\$ 143,812.81	\$ 447,630.95	\$ 875,356.38	\$ 701,950.00	\$ 2,168,750.14
Data Project (PCIS)						\$ 5,750,000.00	\$ 7,000,000.00	\$ 10,290,000.00	\$ 23,040,000.00
Total expenditures charged	\$ 3,398,437.83	\$ 3,343,997.33	\$ 3,685,531.62	\$ 4,163,784.23	\$ 3,791,494.65	\$ 11,496,867.17	\$ 16,431,292.77	\$ 19,898,149.74	\$ 66,209,555.34

OIA noted the “Misc RC reimbursements” category are expenses the Regional EMS Councils invoiced to OEMS that were not part of the MOU quarterly payments. These were estimated from the available documentation to be reimbursements for the Regional EMS Council’s own expenditures, typically from the contract modifications, that included such things as replacements of old equipment, i.e. training mannequins.

OIA noted the “Statewide Miscellaneous” category based on interviews with the WVEMS Finance Director after stating that some of the goods and services in WVEMS contract modifications were not for WVEMS use but for OEMS. These included purchases of such items as software, barcode scanners, and ambulances.

Payments to Regional EMS Councils

OIA reviewed payments to Regional EMS Councils from FY2016 to FY2023. Invoices were reviewed, when feasible, as F&A attachments weren’t available prior to FY2020, and invoices were tied to all known MOUs and modifications. OIA also requested expenditure ledgers from Regional EMS Councils that received significant increases in funding from OEMS, and reviewed a sample of expenditures from the ledgers. Based on review, the following observations were noted:

- The former OEMS Associate Director approved WVEMS to pay invoices for laptops, tablets, and software purchased for OEMS use, bypassing the VDH Information Technology Systems, Projects, and Software Procurement Policy which requires that the Office of Information Management (OIM) review and approve IT procurements to ensure that the agency maintains security and integrity of the devices.
- OEMS has reimbursed travel expenses for Regional EMS Council staff at higher rates than the State rates. This is inconsistent with how OEMS processed other non-employee travel using the Non-Employee Travel and Expense Reimbursement Form (NTERV), such as for EMS Advisory Board members.

- Travel reimbursements were also paid to OEMS staff by WVEMS for travel to out of state conferences, circumventing the VDH Travel Policy.³ Some of the out of state conferences were expensed to the Symposium and the Data Project, but did not appear to be related to either the Symposium or the Data Project.
- OEMS had WVEMS pay invoices for vehicles purchased for OEMS use, bypassing VDH Fleet Management Policy⁴. The vehicles purchased were:
 - Two shuttle vehicles – a GEM e6 six passenger electric vehicle and Polaris Pro XD four passenger utility terrain vehicle – purchased for use at the Symposium in the amount which totaled \$51,007, used as shuttles to take attendees to and from the main conference site since there was lodging for attendees at multiple hotels.
 - Two ambulances which totaled \$914,902 that were meant to be part of OEMS’s fleet and loaned out to EMS agencies.
- There were instances where OEMS reimbursed Regional EMS Councils for expenses they had not yet incurred. These were for two Councils who were making purchases for Statewide projects such as HandTevy and the Data Project.
- According to the ledger provided by the WVEMS Finance Director, there were instances where WVEMS had funds left over from the OEMS disbursement after expenses were paid. In 2022, funds totaling \$6,750.84 were leftover for a project and not designated for another expenditure. In 2023, funds totaling \$175,605.23 were left over from a project because of equipment back orders for two ambulances that has since been donated to EMS agencies.
- There were instances where invoices were billed to OEMS before an MOU was fully executed and instances where the invoice exceeded the amount allowed by the procurement. One of the contracts was exceeded by \$4.2 million in FY2023.
- There are inconsistencies noted in the way expenditures were coded in processing invoices, as well as errors with expenditures being charged to the wrong project code.
- Not all documentation provided by the Regional EMS Councils adequately supported the invoices OIA requested, for instance, not including receipts that would show the details of what was purchased.
- There were instances where quarterly payments to Regional EMS Councils did not match the amount indicated on the MOU or modification, with no supporting documentation to explain the difference.

³ The VDH Travel Policy in effect during the travel dates required an approved Travel Authorization Request for out-of-state travel. All lodging rates are governed by the U.S. General Services Administration (GSA) rates. Reimbursement for lodging is limited to actual expenses incurred up to the guideline amount, plus hotel taxes, fees, and surcharges. Expenses in excess of the guidelines will not be reimbursed, unless approved in advance.

⁴ If an Office determines that it needs to own a vehicle to meet business needs, the procedure is to submit a VDH Request for Authorization of Approval and OFMS-1 form to the Office of Purchasing and General Services (OPGS). Once approved, OPGS submits the OFMS-1 form to Department of General Service (DGS) Office of Fleet Management Services (OFMS) for final approval to purchase the vehicle. Once purchased, state-owned vehicles are subject to other Policy requirements regarding vehicle title, fuel purchase, driver eligibility, and participation in the DGS Vehicle Management Control Center (VMCC) program.

- There were \$3.1 million in expenses paid to Regional EMS Councils that did not have any supporting documentation to tie them to an approved procurement document.
- The MOU for the Virginia EMS Scholarship program executed August 17, 2021, only included compensation for the administrative fee, and not the scholarships themselves. OIA determined a contract modification was created to rectify this on May 23, 2022, after OEMS had already paid invoices for the scholarship costs.

Regional EMS Council Annual Audit Reports

OIA reviewed annual audited financial reports for the Regional EMS Councils for FY2020 to FY2022. Audited financial reports for FY2023 were not available at time of testing.

OIA determined that WVEMS was the only Regional EMS Council not to report all revenue received from OEMS. OIA noted that WVEMS did not include custodial/pass through funds in their audited financial reports for FY2021 and FY2022, according to the Notes to Financial Statements sections of the audited report. OIA determined the FY2020 report did not make a distinction among revenue sources or refer to custodial funds. The WVEMS Executive Director and Finance Director stated that their auditors advised them to account for “custodial and pass-thru” funds received separately from their other revenue.

OIA determined the revenue reported by WVEMS includes multiple sources of revenue, so it would not be an exact match to how much OEMS paid to them during that time. However, the amounts noted in red indicate more funds sent to WVEMS by VDH than was reported on their audited financial statement. The table below indicates for FY2020 to FY2022 the payments OEMS made to WVEMS as recorded in F&A, and compares that amount to WVEMS revenue according to their annual financial reports:

Source:	2020	2021	2022
VDH OEMS Payments to WVEMS per F&A	\$ 711,493.59	\$7,295,026.17	\$9,202,380.69
WVEMS Revenue per Annual Financial Reports	\$ 2,260,003.00	\$2,554,336.00	\$2,346,666.00
Difference	\$1,548,509.41	(\$4,740,690.17)	(\$6,855,714.69)

Regional EMS Councils Recommendations

Recommendation 1: We recommend the OEMS Director and OEMS Deputy Director Operations work with the VDH Chief Operating Officer to review the Regional EMS Council Hybrid model, including but not limited to the reporting structure, assignment of staff, and payment of operating expenditures, to determine viability and sustainability as well as compliance with the Code of Virginia and the intended purpose of the Regional EMS Councils.

Recommendation 2: We recommend the OEMS Director and OEMS Deputy Director Operations establish a method for ensuring that all expenditures related to Regional EMS Councils can be traced to each individual Regional EMS Council.

Recommendation 3: We recommend the OEMS Director and OEMS Deputy Director Operations review how Regional EMS Councils are funded for their activities and establish

formal standardized policies and procedures with built in accountability for both OEMS and the Regional EMS Council Directors.

Recommendation 4: We recommend the OEMS Director and the OEMS Deputy Director Operations work with the State Health Commissioner to determine if statewide projects should be managed by Regional EMS Councils, and if so, an annual budget with established limits and accountability for what Regional EMS Councils can be allowed to expense on behalf of Statewide projects should be determined.

Recommendation 5: We recommend the OEMS Director and the OEMS Deputy Director Operations determine what State policies and procedures regarding procurement and asset management should be followed by Regional EMS Councils in relation to OEMS funded transactions.

Recommendation 6: We recommend the OEMS Director and the OEMS Deputy Director Operations work with the VDH Chief Operating Officer on resolving OEMS's contractual obligations to the Regional EMS Councils.

Recommendation 7: We recommend the OEMS Director and the OEMS Deputy Director Operations ensure all OEMS and Regional EMS Council expenditures have proper supporting documentation for their purchases before paying invoices.

Recommendation 8: We recommend the OEMS Director and the OEMS Deputy Director Operations follow the VDH Travel policy for reimbursing non-employee travel.

Recommendation 9: We recommend the OEMS Director and the OEMS Deputy Director Operations ensure all OEMS and Regional EMS Council expenditures are supported by updated and fully executed procurement agreements.

Recommendation 10: We recommend the OEMS Director and the OEMS Deputy Director Operations ensure that invoices paid for Regional EMS Councils have complied with the terms of the procurement contract both for the amount charged and completion of goods/services.

Recommendation 11: We recommend the OEMS Director and the OEMS Deputy Director Operations ensure OEMS and Regional EMS Council expenditures are coded consistently and accurately for ease of budget development and tracking.

Recommendation 12: We recommend the OEMS Director and the OEMS Deputy Director Operations ensure OEMS and Regional EMS Council expenditures are reviewed and reconciled at least monthly to ensure that all expenditures have been accurately coded.

6. Western Virginia EMS Council (WVEMS)

Symposium Costs

OIA reviewed the relationship between OEMS and WVEMS related to the annual Symposium for training of EMS providers. During OIA's review of expenditures from both entities, it was unclear which entity was responsible for the Symposium, and there was no clear delineation as they tended to supplement each other when necessary. It also did not appear there was a clear budget for the event, and OEMS would cover any expenditures exceeding revenue. The Symposium account managed by WVEMS included funds received from OEMS and revenue

from registrations, vendors, and sponsorships, and expenses paid from this account.

OIA determined that Symposium costs increased each year. It should be noted that the 2020 Symposium was cancelled due to COVID-19, and the analysis shows that OEMS overpaid WVEMS for the expenditures incurred. Below is a table showing an analysis of the costs for each symposium held since FY2019:

Symposium Year	Amount OEMS Paid Directly	Amount OEMS paid to WVEMS	Amount WVEMS Paid Directly	Total Symposium Cost
2019	\$ 571,061.62		\$ 561,571.50	\$ 1,132,633.12
2020	\$ 11,457.74	\$ 182,116.81	\$ (24,775.27)	\$ 168,799.28
2021	\$ 629,925.99	\$ 300,000.00	\$ 273,305.87	\$ 1,203,231.86
2022	\$ 568,671.12	\$ 700,000.00	\$ 328,414.38	\$ 1,597,085.50

Based on review of invoices for hotel charges for the 2022 Symposium, OIA identified that OEMS directly purchased alcoholic beverage packages on three separate hotel invoices. The total cost was \$6,029. WVEMS also purchased \$3,200 in alcoholic beverages which was approved by the former OEMS Director.

OIA also scanned expenditures for the cancelled 2023 Symposium and noted that OEMS was using the Symposium account to have WVEMS pay for travel events not related to the Symposium and its purpose.

During interviews, OIA determined that OEMS employed a contractor to assist in organizing the Symposium. OIA noted that the contractor had a credit card provided by WVEMS that they used to make purchases. These purchases were approved by the former Associate Director of OEMS, but were paid for by WVEMS from the Symposium account.

Oversight of the Data Project (Patient Care Information System)

The Data Project refers to WVEMS and OEMS activities in relation to the Patient Care Information System (PCIS). The management of the system transitioned from OEMS to WVEMS with a Master Subscription Agreement that the former WVEMS Executive Director signed with ESO Solutions, the new vendor managing the PCIS, effective February 3, 2021. OIA reviewed the related WVEMS charge card reports, expense report and invoice approvals, and emails between the former OEMS Associate Director and the WVEMS Finance Director. OIA also interviewed WVEMS and OEMS staff regarding WVEMS and OEMS activities, including how OEMS funds were spent in relation to the Patient Care Information System (PCIS).

OIA reviewed the MOU (517-18-M046) between OEMS and WVEMS which was effective October 2, 2017, through December 31, 2022, as well as the current MOU (517-23-0126) signed December 12, 2022. WVEMS was designated as an independent contractor in the M046 MOU, however this and other clauses were not observed in the current MOU. When WVEMS agreed to be the contract-holder with ESO Solutions in 2021, the independent contractor clause was in effect. Based on review of edits to ESO Solutions’ press release for announcement of the new contract, ESO Solutions had the perception that they were partnering with OEMS. OIA noted the press release was edited to remove references to OEMS or the Commonwealth of Virginia as ESO Solution’s partner.

The Internal Revenue Service’s general rule regarding independent contractors is “the payer

has the right to control or direct only the result of the work and not what will be done and how it will be done.” Despite WVEMS’s status as an independent contractor for OEMS and contractual relationship with ESO Solutions, OIA determined from interviews with OEMS and WVEMS staff that the former OEMS Associate Director was the one managing the Data Project with full authority, and it was the former OEMS Associate Director who collaborated with related vendors, including ESO Solutions.

During interviews, OIA determined that no one questioned decisions made or expenses approved by the former OEMS Associate Director related to the Data Project. In addition, OIA noted there was not effective oversight and management of the former OEMS Associate Director’s actions and decisions relating to procurement, budget compliance, or designations of which funds to be charged. The WVEMS Executive Director stated having observed the former OEMS Associate Director making statements in formal public meetings about the Data Project in the presence of the former OEMS Director and OEMS Assistant Director. This also included EMS Board Meetings where the former OEMS Associate Director reported on the progress of the Data Project.

Based on interviews with the WVEMS Finance Director and review of documentation, invoices from vendors related to the Data Project would be sent either to the former OEMS Associate Director or the WVEMS Finance Director. OIA determined the process was invoices received by the WVEMS Finance Director were forwarded through e-mail to the former OEMS Associate Director for approval. Invoices received by the former OEMS Associate Director were forwarded through e-mail to the WVEMS Finance Director, who approved them for payment. The WVEMS Executive Director, as the signature authority for WVEMS, also signed the invoices approving for them to be paid by WVEMS. However, OIA noted the former OEMS Associate Director was the one who approved invoices, determined which invoices were to be charged to the Data Project, and whether the Data Project’s continued costs were acceptable, and that funding was available.

OIA determined that there was a lack of segregation of duties where the former OEMS Associate Director was also inappropriately involved in WVEMS being reimbursed by OEMS for Data Project expenses. Interviews with the WVEMS Finance Director and review of documentation indicate that the former OEMS Associate Director would instruct the WVEMS Finance Director on when to send the WVEMS invoices to OEMS, and how much to charge on the invoice. Once the WVEMS invoice was received, the former OEMS Associate Director would approve the payment of the invoice with OEMS funds.

OIA determined that internal controls over the Data Project were not adequate. The former OEMS Associate Director exercised significant control over the management of the Data Project for both WVEMS and OEMS, without proper management oversight.

Intellectual Property of the PCIS

OIA determined that the OEMS-WVEMS MOU (517-18-M046) included an Intellectual Property (IP) clause stating that the Commonwealth of Virginia will become the sole owner of all IP developed under the performance of the contract. The WVEMS-ESO Master Subscription Agreement contains a “Work Product” clause indicating that ESO owns the IP developed as part of that contract. On September 1, 2022, OEMS executed an MOU (517-23-0001) with WVEMS specifically for services on the Data Project, and the Intellectual Property clause was missing from this MOU. OIA was not able to determine from interviews with the former OEMS Director and the WVEMS Executive Director who owns the Intellectual

Property related to the Data Project.

Funding of the Data Project

OIA determined that multiple funding sources were used to fund the Data Project once the PCIS transitioned to WVEMS. Initially, the Data Project was funded through two special initiative RSAF grants. The cost of the Data Project was added to the WVEMS MOU (517-18-M046) as modifications, and later with a separate MOU (517-23-0001) in FY2023. OIA determined in FY2022, the Trauma Center Fund was used to defray some of the costs with the rationale by OEMS that the PCIS included a trauma registry.

During interviews, it was stated that OEMS did not have a formal plan for budget and sustainability of the Data Project. It was also stated during interviews that OEMS did not develop strategies for the increased costs of the Data Project. Part of the increase was due to an unanticipated surge in interest by EMS agencies to utilize the PCIS. However, OIA determined the former OEMS Associate Director made unauthorized amendments to the ESO-WVEMS Master Subscription Agreement and approved covering the fees for some end users. OIA noted the former OEMS Associate Director also directed WVEMS to charge unrelated and unauthorized expenses to the Data Project.

Western Virginia EMS Council Recommendations

Recommendation 1: We recommend the OEMS Director and the OEMS Deputy Director Operations evaluate OEMS' operating relationship with WVEMS to ensure that funds transferred to WVEMS are spent in a manner consistent with VDH and State policies and procedures.

Recommendation 2: We recommend the OEMS Director and the OEMS Deputy Director Operations establish and enforce internal controls over OEMS expenditures, including separation of duties, management review and approvals, management monitoring of procurements, procurement compliance, budget, expenditure approval compliance, and effective reviews of financial report reconciliations paid for by all Regional EMS Councils.

Recommendation 3: We recommend the OEMS Director and the OEMS Deputy Director Operations build into all OEMS projects contingencies for the possibility of increased participation and related costs. This should include establishing limits, and regular reporting, and communication of financial increases up the chain of command to the OEMS Director.

Recommendation 4: We recommend the OEMS Director and the OEMS Deputy Director Operations clarify who owns the Intellectual Property created or developed in the Data Project that was funded by OEMS.

7. Other Concerns

Interest Bearing Fund Accounts

OIA reviewed a F&A revenue report of interest earned for RSAF and Trauma Center Fund during FY2019 to FY2023 to determine whether revenue from interest bearing fund accounts was used in compliance with the Code of Virginia. OIA found inconsistencies and lack of timeliness with how and when the funds were assigned to the correct project code. Based on review of F&A journal entries, OIA determined \$544,703.66 in interest, including all interest

recorded in FY2023, stayed in the main cash account where it could be spent for any projects in that account.

Non-Employee Travel Reimbursements

OIA conducted interviews with OEMS staff to determine the process for OEMS reimbursing travel for non-OEMS travelers, such as the EMS Advisory Board members. Issues noted during the interviews included confusion about the changes to travel processing after SBS was implemented, lack of access to the SBS Tracking, Logging and Reporting (STLAR) system, delays with getting approvals from OEMS management on the NTERV forms, and having no backup personnel to perform tasks. OIA determined there was no tracking or monitoring in place for non-employee travel reimbursements. As a result, reimbursements to EMS Advisory Board members were extensively delayed. To date, OIA determined travel reimbursements are being paid.

FAACS and Controllable Equipment

OIA reviewed OEMS's process for keeping track of Fixed Asset Accounting and Control System (FAACS) inventory and controllable equipment for compliance to VDH Fixed Asset Policy and CAPP Manual, and determined that equipment isn't tracked and maintained on a consistent basis. OIA determined an overall physical inventory hasn't been done since 2017, and new OEMS staff responsible for maintaining equipment were not properly trained or made fully aware of their responsibilities. OIA also determined the creation of SBS also led to a disconnect in maintaining an audit trail for ordering, receiving, and paying for equipment. OIA determined OEMS does not have written procedures for maintaining inventory and controllable equipment.

Based on inventory testing, OIA questioned the location of the 100 laptops paid for by WVEMS that were for OEMS use at the Symposium. Approximately 9% of the laptops in the Symposium inventory were unaccounted for, however, OIA did not confirm this through a full inventory review.

OIA determined from review of F&A expenditures and observation of stored equipment at OEMS headquarters and a warehouse in Ashland that OEMS made numerous purchases of equipment for the Symposium where the potential use did not justify the expense. This included state of the art equipment that does not add significantly more value than technology currently in use at VDH, for example a Digital Display Podium for \$9,978.71 and a telepresence robot for virtual meetings costing \$9,938.44. OIA determined that OEMS also stored a significant amount of equipment that was only used one week out of the year at the Symposium held in Norfolk, Virginia. For example, audio-visual equipment and communications devices which required multiple trailers to transport to and from the Symposium, and two vehicles used as shuttles which also had their own trailers.

OIA performed tests of equipment by reconciling a sample of equipment between the FAACS list and equipment expenditures in F&A from FY2020 to FY2023 against equipment observed on hand at OEMS headquarters and at a warehouse in Ashland. The following exceptions to the VDH Fixed Asset Policy and CAPP Manual were noted during OIA's review based on sample testing:

- The FAACS list was missing identifying characteristics such as location and Vehicle Identification Numbers (VIN) to be able to locate and match individual items to the FAACS list.
- Equipment was purchased, but not added to the FAACS list.
- When equipment was reassigned, the FAACS list was not updated with key information such as location and responsible employee.
- Equipment was not physically tagged with identifying FAACS black tag number.
- There was difficulty locating equipment, and in some cases OIA was unable to confirm that the actual item on the FAACS list was located. This included multiple items that were not accessible for OIA to confirm identifying characteristics such as serial numbers or FAACS black tags.
- OEMS purchased seven laptops directly from a vendor instead of through eVA, where it would have been flagged as not being VITA-approved. The location of the seven laptops is unknown even though OEMS staff signed packing slips to indicate the laptops were received.

OEMS Contracts and Agreements

OIA reviewed OEMS contracts and agreements from FY2017 to FY2023 for compliance with State procurement requirements and VDH delegated authority and evaluated OEMS's Contract Master List spreadsheet used for tracking the contracts. OIA determined that OEMS did not adequately execute and maintain contracts and modifications. There were indications of lack of communication with Office of Procurement and General Services (OPGS) to ensure accuracy and compliance with Department of General Services (DGS) and VDH contract policies in executing the contracts. The following exceptions to DGS and VDH contract policies were noted during OIA's review:

- The Contract Master List maintained by OEMS was not organized, comprehensive, or up-to-date. OIA determined that the Contract Master List doesn't include the modifications from the most recent five-year Regional EMS Council MOUs.
- Thirteen MOUs and modifications reviewed by OIA were not provided by OEMS, but were found through other sources.
- A modification and an MOU extension were signed by the former OEMS Director even though the dollar amount was above their delegated authority.
- In five instances, there were copies of a contract modification provided by OEMS that were unsigned, and in four of those cases, multiple unsigned versions of the modification were provided in a folder, and it was unclear which version of the contract language was considered the final version. There were two instances where the modification was signed, but not dated.
- There were instances of modifications having errors such as the wrong MOU number or the wrong modification number. There were inconsistencies in whether the modification was executed within OEMS or by OPGS, which may have explained the wrong modification numbers.

- Interviews of the Regional EMS Council Directors indicated that they didn't always receive copies of the fully executed modifications signed by OEMS.
- In modifications added to their MOUs, all eleven Regional EMS Councils received 5% increases to their quarterly payments. In four cases, Regional EMS Councils were funded for a part time position. The modifications did not specify that these were to be recurring expenses paid yearly until the end of the MOU multi-year term, however a review of expenditures in F&A showed that they were included every year on the Regional EMS Council invoices. Because the modification did not indicate they were recurring expenses, the total estimated value of the MOU reflected only that year's expense when it should have included the expense for every year remaining in the MOU's term.

OIA noted in five cases where a modification included a revision to the MOU or a previous modification. In two cases, the contract revisions were for millions of dollars. These are not listed with the above exceptions as the errors were corrected prior to the investigative review, but do contribute to the overall pattern of inadequate execution and tracking of OEMS contracts.

Other Recommendations

Recommendation 1: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager ensure that for administrative job duties that require timely processing of OEMS transactions, a backup responsible position is identified for taking over these duties in case of long-term leave or vacancies.

Recommendation 2: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager ensure all travel reimbursements are processed in a timely manner.

Recommendation 3: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager ensure all interest income is moved to an OEMS project in a timely manner.

Recommendation 4: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager develop a process to ensure compliance with VDH's Fixed Asset Policy and Commonwealth Accounting Policies and Procedures (CAPP) Manual.

Recommendation 5: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager determine what position will be responsible for consistently maintaining the equipment inventory and provide training for the position on duties and roles and responsibilities.

Recommendation 6: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager perform a thorough inventory of FAACS list (floor to sheet and sheet to floor) and ensure inventory tags are affixed and the inventory list is updated.

Recommendation 7: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager periodically perform a reconciliation of the F&A expenditure report to determine if any equipment purchases meeting controllable and

FAACS criteria have not been added to the controllable and FAACS inventory.

Recommendation 8: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager work with the Office of Information Management (OIM) Director or Information Security Officer to evaluate the use of computer equipment and software by OEMS and ensure adherence to VITA requirements.

Recommendation 9: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager ensure that modifications to multi-year contracts specify whether the good/service being added to the agreement is a one-time transaction or expected to be paid yearly, reflective of the revised total.

Recommendation 10: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager work with the VDH OPGS Director to maintain a complete listing of contracts and modifications and keep OPGS informed of all contracts and modifications entered into the F&A Contract module.

Recommendation 11: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager work with the VDH OPGS Director to develop a process to ensure the review and monitoring of all OEMS contracts and contract modifications to ensure accuracy and compliance with VDH and State procurement policies.

Recommendation 12: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager work with the VDH OPGS Director to ensure OEMS procurements comply with delegated procurement authority.

Recommendation 13: We recommend the OEMS Director, OEMS Deputy Director Trauma and Administration, and OEMS Business Manager ensure that all OEMS contracts and modifications are fully signed and dated by all parties, and a complete listing and copies of the fully executed agreements are maintained on file in a central area in compliance with State record retention policies. Any unsigned drafts should be marked as Drafts and kept separately from the final contract versions.