



FINANCIAL AUDIT DIVISION REPORT

**Emergency Medical Services
Regulatory Board**

Internal Control and Compliance Audit

July 1, 2004, through June 30, 2008

October 23, 2008

Report 08-29

FINANCIAL AUDIT DIVISION

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OFFICE OF THE LEGISLATIVE AUDITOR

State of Minnesota • James Nobles, Legislative Auditor

October 21, 2008

Representative Rick Hansen, Chair
Legislative Audit Commission

Members of the Legislative Audit Commission

Mr. James Rieber, Chair
Emergency Medical Services Regulatory Board

Ms. Debra Teske, Interim Executive Director
Emergency Medical Services Regulatory Board

Ms. Juli Vangsness, Administrative Director
Health Licensing Boards – Administrative Services Unit

This report presents the results of our internal control and compliance audit of the Emergency Medical Services Regulatory Board (board) for the period July 1, 2004, through June 30, 2008.

The Health Licensing Boards – Administrative Services Unit (services unit) provides financial management assistance to all of the health-related licensing boards, including the Emergency Medical Services Regulatory Board.

Our fieldwork ended on August 8, 2008, and we discussed the results of the audit with department staff on October 7, 2008. The audit was conducted by Michael Hassing, CPA, CISA (Audit Manager) and Melanie Greufe (Auditor-in-Charge), assisted by Kayla Peterson (Auditor).

We received the full cooperation of the board and services unit staff while performing this audit.

/s/ James R. Nobles

James R. Nobles
Legislative Auditor

/s/ Cecile M. Ferkul

Cecile M. Ferkul, CPA, CISA
Deputy Legislative Auditor

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Report Summary

Conclusions

The Emergency Medical Services Regulatory Board (board) did not have adequate internal controls to safeguard receipts and sensitive assets. The board generally had adequate internal controls to ensure that it accurately paid employees and vendors in accordance with management's authorization, properly oversaw and authorized financial transactions, produced reliable financial information, and complied with finance-related legal requirements. However, it did not adequately review certain transactions related to grants, travel expenses, and cell phone usage.

For the items tested, the board generally complied with finance-related legal requirements over its financial activities. However, it did not always deposit receipts daily, as required by statute, or ensure compliance with statutory provisions for paying the volunteer ambulance awards.

Key Findings

- The board did not adequately safeguard receipts, deposit them daily, as required by statute, or reconcile receipts recorded on its licensing system to deposits recorded in the state's accounting system. ([Finding 1, page 7](#))
- The board provided grant funds to an organization without requiring sufficient documentation to satisfy the terms of the grant contract or determine whether the grant expenditures were eligible for reimbursement. ([Finding 2, page 8](#))
- The board paid longevity awards to recipients who did not submit applications before the statutory deadline. ([Finding 3, page 8](#))
- The board reimbursed some travel expenditures that did not comply with applicable policies. ([Finding 4, page 9](#))
- The board did not have adequate inventory control for its fixed assets and sensitive items. ([Finding 6, page 11](#))

Audit Objectives and Scope

Objectives

- Internal Controls
- Compliance

Period Audited

July 1, 2004, through June 30, 2008

Programs Audited

- License Revenue
- Payroll Expenditures
- Grant Expenditures
- Other Administrative Expenditures

Background

The Emergency Medical Services Regulatory Board provides direction for emergency medical care for the people of Minnesota through policy development, regulation, and education. The board accomplishes this objective through licensing of ambulance services and emergency medical technicians, approving and funding certain emergency medical services training, and funding eight regional organizations that provide emergency medical services. The board operates under [Minnesota Statutes](#) 2007, 144E.

Emergency Medical Services Regulatory Board

Agency Overview

The Emergency Medical Services Regulatory Board (board) provides direction for emergency medical care for the people of Minnesota through policy development, regulation, and education. The board accomplishes this objective through licensing of ambulance services and emergency medical technicians, approving and funding certain emergency medical services training, and funding eight regional emergency medical services organizations. The board also certifies emergency medical services personnel within the state; there are no fees associated with those certifications.

In addition, the board administers several grants to emergency medical services organizations throughout the state and serves as the administering agency for the Health Professionals Services Program, which offers support and help for health professionals who have substance abuse and psychiatric issues and other medical disorders.

The board has 19 members, including the commissioners of the departments of Health and Public Safety, two legislators serving as exofficio, nonvoting members, and fifteen members appointed by the Governor. James Rieber has served as board chair since May 2007. The board is responsible for hiring the executive director. Debra Teske has been the interim executive director since June 2008. She replaced Mary Hedges, who retired at the end of May 2008. The board operates under *Minnesota Statutes* 2007, chapter 144E and *Minnesota Administrative Rules* 2007, chapter 4690.

Although statutes¹ do not consider the Emergency Medical Services Regulatory Board one of the health-related licensing boards, it uses the Health Licensing Boards – Administrative Services Unit (services unit) to process its financial activities. The services unit charges for its services based on the extent of services it provides. The services unit, located in the same building as the board, provides services in the areas of budgeting, fiscal analysis, human resources, transaction processing, purchasing, operations analysis, contracts, information technology, and policy analysis.

The Emergency Medical Services Regulatory Board is funded through appropriations, federal grants, and seat-belt fine revenue. The revenue the board collects from ambulance service licenses, vehicle fees, and training program fees are deposited into the state's General Fund and are not available for the board's

¹ *Minnesota Statutes* 2007, Chapter 214.01.

expenditures. Statutes do not require the board to set its fees to recover its operating costs. Table 1 summarizes the board's revenues and expenditures for the period July 1, 2004, through June 30, 2008.

Table 1
Revenues and Expenditures
July 1, 2004 – June 30, 2008

Revenues ²	Fiscal Years ¹			
	2005	2006	2007	2008
Federal Grants	\$ 503,244	\$ 307,793	\$ 392,627	\$ 185,057
Ambulance Service Licenses ³	18,350	28,950	19,082	29,275
Ambulance Vehicle Fees ³	28,780	46,464	30,086	49,095
Training Program Application Fees	8,000	5,200	9,100	6,100
Other Income ⁵	57,848	105,099	47,725	648,022 ⁴
Total	\$ 616,222	\$ 493,506	\$ 498,620	\$ 917,549
Expenditures				
Grants and Reimbursements	\$2,606,622	\$2,881,649	\$3,060,950	\$2,766,469
Payroll and Board Per Diems	1,303,608	1,404,965	1,425,958	1,572,342
Longevity Awards ⁶	239,049	335,944	387,653	522,676
Rent	89,649	86,670	88,317	103,180
Professional/Technical Contracts	285,807	13,152	274,324	98,782
Supplies and Equipment	142,508	53,509	105,153	55,361
Travel	60,558	60,184	74,652	74,110
Communication	68,549	41,233	65,531	60,320
Other Operating Expenditures ⁷	738,625	551,568	530,585	86,574
Total	\$5,534,975	\$5,428,874	\$6,013,123	\$5,339,814

¹ The state's fiscal year is July 1 through June 30.

² The board also received appropriations of \$3,038,424 in 2005, \$3,033,175 in 2006, \$3,083,080 in 2007, and \$4,347,390 in 2008. The appropriation for fiscal year 2008 included the transfer of longevity award funds, as explained in Note 4.

³ The ambulance service licenses and vehicle fees are valid for two years. Each quarter, the organizations for one region are up for renewal. The fluctuation in revenue each year is due to the regions having a different number of organizations.

⁴ In 2008, the Legislature required the board to transfer \$800,000 from the Longevity Fund to the General Fund. In order to meet this obligation, the board, through the State Board of Investment, sold \$590,532 worth of stock held for the longevity award account. The proceeds were transferred to the General Fund to provide additional funds to the regional grant program. (See Note 7 below.)

⁵ Other income includes interest earnings, royalty income (from the development of computer software), correction orders and fines, and copying charges related to data requests.

⁶ Longevity awards are paid to long-term emergency medical services volunteers per *Minnesota Statutes* 2007, 144E.

⁷ Other operating expenditures include repairs, printing and advertising, computer and system services, employee development, indirect costs, and inter-fund transfers. In fiscal years 2005 – 2007, inter-fund transfers (expenditures) included funds sent to the State Board of Investment for the longevity program. In fiscal year 2008, the transfer to the General Fund (Note 4) was not recorded as an expenditure, but a transfer of appropriation.

Source: Minnesota Accounting and Procurement System as of August 1, 2008.

Objectives, Scope, and Methodology

Our audit of the Emergency Medical Services Regulatory Board's licensing revenue, grant and reimbursement expenditures, payroll, and other administrative expenditures focused on the following audit objectives for the period July 1, 2004, through June 30, 2008:

- Were the board's internal controls adequate to ensure that it safeguarded receipts and other assets, accurately paid employees and vendors in accordance with management's authorization, produced reliable financial information, and complied with finance-related legal requirements?
- For the items tested, did the board comply with significant finance-related legal requirements over its financial activities, including state and federal laws, regulations, contracts, and applicable policies and procedures?
- Did the board resolve prior audit recommendations that it improve controls over its process for awarding grants to regional emergency medical services organizations?

To answer these questions, we interviewed board staff to gain an understanding of the controls related to the board's financial operations. In determining our audit approach, we considered the risk of errors in the accounting records and potential noncompliance with finance-related legal requirements. We also analyzed accounting data to identify unusual transactions or significant changes in financial operations for further review. In addition, we selected a sample of financial transactions and reviewed supporting documentation to test whether the board's controls were effective and if the transactions complied with laws, regulations, policies, and grant and contract provisions. We also gained an understanding of the controls provided by the services unit related to the financial activity processed on behalf of the board.

We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

We used various criteria to evaluate internal control and compliance. We used as our criteria to evaluate agency controls the guidance contained in the *Internal Control-Integrated Framework*, published by the Committee of Sponsoring

Organizations of the Treadway Commission.² We used state and federal laws, regulations, and contracts, as well as policies and procedures established by the departments of Finance and Employee Relations and Administration and the board's internal policies and procedures as evaluation criteria over compliance.

Conclusions

The Emergency Medical Services Regulatory Board did not have adequate internal controls to safeguarded receipts and sensitive assets. The board generally had adequate internal controls to ensure that it accurately paid employees and vendors in accordance with management's authorization, properly oversaw and authorized financial transactions, produced reliable financial information, and complied with finance-related legal requirements. However, it did not adequately review certain transactions related to grants, travel expenses, and cell phone usage.

For the items tested, the board generally complied with finance-related legal requirements over its financial activities. However, it did not always deposit receipts daily, as required by statute, or pay volunteer ambulance awards in compliance with statutory provisions.

The board did resolve its prior findings related to improving its process for awarding grants to regional emergency medical services organizations.

In addition, the services unit did not accurately record liability dates in the state's accounting system for the financial activity it processed, including the Emergency Medical Services Regulatory Board. See Finding 2 in the report for the Board of Examiners for Nursing Home Administrators and the Health Licensing Boards – Administrative Services Unit.³

The following *Findings and Recommendations* provide further explanation about the exceptions noted above.

² The Treadway Commission and its Committee of Sponsoring Organizations were established in 1985 by the major national associations of accountants. One of their primary tasks was to identify the components of internal control that organizations should have in place to prevent inappropriate financial activity. The resulting Internal Control-Integrated Framework is the accepted accounting and auditing standard for internal control design and assessment.

³ Office of the Legislative Auditor, Financial Audit Division [Report 08-26](#), Board of Examiners for Nursing Home Administrators and the Health Licensing Boards – Administrative Services Unit.

Findings and Recommendations

The board did not adequately safeguard receipts, deposit them daily, as required by statute, or reconcile receipts recorded on its licensing system to deposits recorded in the state's accounting system.

Finding 1

The board had the following significant internal control weaknesses over license and fee receipts:

- The board did not adequately safeguard its receipts before deposit. The board held cash receipts in an unlocked file cabinet until it forwarded the receipts to the services unit for entry into the state's accounting system and deposit into the bank.
- The board did not always promptly deposit receipts. Statutes⁴ require state agencies to deposit receipts greater than \$250 within one day. Fourteen of 47 tested deposits were four days or more after the receipts were collected. The board held one receipt for 30 days before it was deposited.
- In addition, the board's policy over prompt deposits was less restrictive than the statutory requirement. The board's policy stated that deposits must be made when the total amount of checks received exceeds \$450, rather than \$250 per statute. (This may have contributed to the late deposits discussed in the previous bullet.)
- The board did not perform a key reconciliation necessary to ensure accurate reporting of license and certification receipts in the state's accounting system. The board did not reconcile licenses issued, recorded on a subsidiary computer system, to the receipts recorded on the state's accounting system. A reconciliation of these systems could identify unexplained differences which may be an indication of errors or irregularities.

By not adequately safeguarding and promptly depositing receipts, and not performing a key reconciliation, the board is subjecting its receipts and assets to an increased risk of theft, loss, and abuse.

⁴ *Minnesota Statutes* 2007, 16A.275.

Recommendations

- *The board should adequately safeguard receipts by keeping all receipts physically secure until deposit.*
- *The board should deposit receipts totaling \$250 or more on a daily basis, as required by statute.*
- *The board should revise its policies to comply with Minnesota Statutes 16A.275.*
- *The board should reconcile receipts recorded on the state's accounting system to the licenses issued.*

Finding 2

The board provided grant funds to an organization without requiring sufficient documentation to satisfy the terms of the grant contract or determine whether the grant expenditures were eligible for reimbursement.

The board reimbursed a regional emergency medical services organization for various expenditures on two grants without sufficient supporting documentation. The payment clause in both grant contracts requires the grantee to provide actual receipts, vendor invoices, travel vouchers, and timesheets in order to be reimbursed for eligible grant expenditures. However, the board approved and paid the reimbursement requests of this organization without detailed support. The board reimbursed expenditures of \$78,018 and \$35,009, respectively, for each grant to this organization during fiscal year 2008. This organization received a total of \$799,857 in grant funds from the board during the four years ended June 30, 2008. Without proper supporting documentation, the board could not determine whether the claimed grant expenditures were eligible for reimbursement.

Recommendation

- *The board should ensure that grantees provide adequate documentation before authorizing or reimbursing grant expenditures, as required by the terms of the grant contract.*

Finding 3

The board paid longevity awards to recipients who did not submit applications before the statutory deadline.

The board paid longevity awards (Cooper/Sams Volunteer Ambulance Award Program) to recipients that did not meet the statutory application date. Longevity awards recognize people who have provided voluntary emergency medical

services for certain years of service. Statutes⁵ specify an application deadline of October 1 in order to receive an award in the following year. We tested 374 applications, and 32 were received after the October 1 deadline. The board received one application 84 days after the deadline but still allowed an award. The awards related to the late applications totaled \$132,075.

Recommendation

- *The board should comply with the statutory provisions of the Cooper/Sams Volunteer Ambulance Award Program by restricting awards to applicants that meet the statutory deadline.*

The board reimbursed some travel expenditures that did not comply with applicable policies.

Finding 4

The board did not ensure that all travel expense reimbursements were properly approved, adequately documented, and complied with applicable state policies and collective bargaining unit agreements. State policies⁶ and collective bargaining agreements establish the criteria and procedures for reimbursing employees for expenses incurred while conducting state business. The board has a responsibility to ensure that reimbursements comply with those policies and procedures. The board incurred nearly \$270,000 of travel expenses during the four years ended June 30, 2008.

While we did not identify any significant abuse by any one employee, our testing of ten employee travel expense claims, totaling \$19,012, indicated a number of errors and noncompliance with specific regulations that occurred during the board's review and approval process. We detail those specific criteria and exceptions below:

- The board did not verify that mileage claims complied with rules and rates, which resulted in an overpayment of \$32 and an underpayment of \$33.
- One employee obtained airline and hotel reward benefits while attending a conference funded by the board. The employee purchased the flight and lodging with a personal credit card, which awarded frequent flier miles to the cardholder; the board reimbursed the employee for the expenses. Statutes⁷ require any benefits obtained from state travel be remitted to the state or an acknowledgement from the employee of benefits received.
- The board reimbursed one employee for \$35 in parking charges that were not for state-related business.

⁵ *Minnesota Statutes* 2007, 144E.46 (d).

⁶ *Departments of Finance and Employee Relations*, Operating Policy and Procedure PAY0021.

⁷ *Minnesota Statutes* 2007, 43A.38, subd. 2.

- The board did not pre-approve out-of-state travel for three of six claims tested. The state's expense reimbursement policy requires employees to obtain pre-authorization for all out-of-state travel. In addition, the out-of-state travel was not supported by conference agendas or itineraries, as required.
- The board overpaid three employees a total of \$96 for meals that were provided as part of a conference or when not in official travel status. Generally, employees are not entitled to claim reimbursement for a meal if it is provided as part of the conference fee, and an employee must be in travel status, as defined by state policy, to be eligible for expense reimbursements.

Because the board did not adequately review and authorize travel reimbursement claims, it paid for some ineligible travel expenses.

Recommendation

- *The board should ensure that travel reimbursements comply with provisions of state policies and collective bargaining agreements and are properly authorized, approved, and supported by documentation.*

Finding 5

The board did not comply with the state's cell phone policies and Internal Revenue Service regulations.

The board had several weaknesses related to its management and oversight of state provided cell phones. The board provided cell phones to eight employees and incurred \$9,816 of cell phone expenses over the four-year audit period.

- The board did not comply with the Internal Revenue Service (IRS) ruling on government employees' use of cell phones. The IRS requires government agencies to either be reimbursed for personal phone call use or include the cell phone cost as income to the employee if 1) the employer does not require employees to keep records of their personal calls or 2) the employees do not keep their own records. The board did not have controls to ensure its employees kept records of personal calls and did not include cell phone costs as income for its employees.
- Similarly, the board did not comply with the Department of Administration's policy⁸ on cell phone use. According to the state's

⁸ [Department of Administration](#) Statewide Policy: Appropriate Use of Electronic Communication and Technology.

policy, departments are responsible to establish a process by which employees identify personal calls. The board did not require employees to review monthly cell phone bills to identify and provide reimbursement for personal calls. By not tracking personal calls, the board may not be able to determine whether the extent of business use justifies the cost of the cell phone.

- The board did not comply with the state's policy requirement for departments to obtain and retain an acknowledgement of receipt form for each employee that it provides with a state cell phone. These forms give assurance to the agencies that the employees are aware of the state's policy and expectations for use of state cell phones. There were no forms on file with the board for any of its eight cell phones.

Recommendation

- *The board should improve its internal controls over cell phone use by:*
 - *Ensuring employees keep records identifying personal calls or report the cell phone costs as income to the employees;*
 - *Providing employees with monthly cell phone usage records for review;*
 - *Establishing a process to periodically review the use of board issued cell phones; and*
 - *Requiring all cell phone users to complete and sign an acknowledgement of receipt form.*

The board did not have adequate inventory control for its fixed assets and sensitive items.

Finding 6

The Emergency Medical Services Regulatory Board did not conduct a physical inventory of its fixed assets or sensitive items during fiscal years 2005 through 2008. The Department of Administration's policy⁹ requires state agencies to conduct a physical inventory of capital assets at least biennially.

The board relied on the services unit to maintain its master schedule of fixed assets. The services unit recorded additions and deletions to fixed asset records based on the board's financial activity. The board, however, is ultimately responsible for its assets and to ensure the accuracy of the fixed assets schedule.

Without an accurate inventory of fixed assets and sensitive items, there is a greater risk that theft or errors could occur and not be detected. In addition, a regular inventory would assist the board in verifying the accuracy of the financial reporting of its assets.

⁹ [Department of Administration](#) Policy ADMIN 06-03: *Property Management User Guide*.

Recommendation

- *The board should improve its security and safeguarding over its fixed assets by conducting periodic physical inventories and spot checks of fixed assets and sensitive items.*
-

October 15, 2008

James R. Nobles, Legislative Auditor
Office of the Legislative Auditor
658 Cedar Street
Room 140 Centennial Office Building
St. Paul, MN 55155-1603

Dear Mr. Nobles:

Thank you for the opportunity to respond to the findings and recommendations of the Office of the Legislative Auditor's internal control and compliance audit of the Emergency Medical Services Regulatory Board (Board) for the period July 1, 2004, through June 30, 2008.

OLA Finding 1. The Board did not adequately safeguard receipts, deposit them daily, as required by statute, or reconcile receipts recorded on its licensing system to deposits recorded in the state's accounting system.

Recommendation:

- *The Board should adequately safeguard receipts by keeping all receipts physically secure until deposit.*

Response:

The Board concurs with this recommendation and has already established controls to ensure all receipts are secured until deposited. Melody Nagy, Office Manager, has been directed to order a safe, which will be kept in a locked room, thus assuring the safeguarding of receipts.

Recommendation:

- *The Board should deposit receipts totaling \$250 or more on a daily basis, as required by statute.*

Response:

The Board concurs with this recommendation and will change procedures to ensure daily deposit of receipts totaling \$250 or more. The procedures will include giving responsibility to additional staff to make the deposits, therefore, covering for the staff person with primary responsibility when they are on leave or not available to make the deposits on any given day.

Recommendation:

- *The Board should revise its policies to comply with Minnesota Statutes 16A.275.*

Response:

The Board concurs with this recommendation. The Board has made revisions to applicable policies to comply with Minnesota Statutes 16A.275.

Recommendation:

- *The Board should reconcile receipts recorded on the state's accounting system to the licenses issued.*

Response:

The Board concurs with this recommendation. The reconciliation process and procedure to verify receipts recorded in the state's accounting system to licenses issued is currently in place. The Board, however, has not properly maintained documentation to verify the reconciliation process. The Board will implement a procedure and process to ensure documentation is maintained for receipts entered into the state's accounting system and reconciled with licenses issued. A change in employee responsibilities resulted in this particular process not being transferred appropriately.

OLA Finding 2. The Board provided grant funds to an organization without requiring sufficient documentation to satisfy the terms of the grant contract or determine whether the grant expenditures were eligible for reimbursement.

Recommendation:

- *The Board should ensure that grantees provide adequate documentation before authorizing or reimbursing grant expenditures, as required by the terms of the grant contract.*

Response:

The Board concurs with this recommendation and will review and update grant monitoring procedures to comply with this recommendation. Talia Landucci, Grants Manager, has been instructed to employ greater vigilance when reviewing grant invoices.

OLA Finding 3. The Board paid longevity awards [Cooper/Sams Volunteer Ambulance Award Program] to recipients who did not submit applications before the statutory deadline.

Recommendation:

- *The Board should comply with the statutory provisions of the Cooper/Sams Volunteer Ambulance Award Program by restricting awards to applicants that meet the statutory deadline.*

Response:

The Board concurs with this recommendation and will restrict award payments to those applicants that submit payment applications in accordance with the statutory deadline of October 1 of each year. Additionally, the Board will review the current statutory language regarding award payment deadlines and determine if legislative changes would assist the valuable EMS volunteers in receiving their well deserved awards from this program.

OLA Finding 4. The Board reimbursed some travel expenditures that did not comply with applicable policies.

Recommendation:

- *The Board should ensure that travel reimbursements comply with provisions of state policies and collective bargaining agreements and are properly authorized, approved and supported by documentation.*

Response:

The Board will continue to improve its internal control over travel reimbursements by implementing the following:

1. Work with the Administrative Services Unit of the Board to analyze a statistical sampling of Board travel reimbursements for accuracy of payment and supporting documentation on a quarterly basis.
2. Provide additional education to all approvers (Executive Director, Debra Teske, Administration Supervisor, Robert Norlen, Field Services Supervisor) regarding their roles and responsibilities related to approval of travel expenses for reimbursement.

OLA Finding 5. The Board did not comply with the state's cell phone policies and Internal Revenue Service regulations.

Recommendation:

- *The Board should improve its internal controls over cell phone use by:*
 - *Ensuring employees keep records identifying personal calls or report the cell phone costs as income to the employees;*
 - *Providing employees with monthly cell phone usage records for review;*
 - *Establishing a process to periodically review the use of board issued cell phones; and*
 - *Requiring all cell phone users to complete and sign an acknowledgment of receipt form.*

Response:

The Board concurs with this recommendation. The Board currently has a signed "Acknowledgement of Receipt" form on file for each employee that has been issued a cell phone. In addition, the Board's cell phone use policy requires that employees document personal calls made on Board issued cell phones. During each billing cycle, the Board will provide cell phone use information to employees asking them to review the statement, to verify that no personal calls have been made. Employees have further been asked to initial the statement and pay for any personal calls reflected in the use information. The Board is working with the State of Minnesota's cell phone providers to develop an electronic database that can be downloaded and sent to employees issued a cell phone for their monthly review of calls, as well as for review by the Board in determining the need for the issued cell phone.

OLA Finding 6. The Board did not have adequate inventory control for its fixed assets and sensitive items.

Recommendation:

- *The Board should improve its security and safeguarding over its fixed assets by conducting periodic physical inventories and spot checks of fixed assets and sensitive items.*

Response:

The Board concurs with the recommendation. The Board will establish procedures to adequately inventory fixed asset and sensitive items on a biennial basis. Additionally, the Board will select random fixed assets and sensitive items to physically inventory on a periodic basis during the biennial period.

The Board will assign the Executive Director of the EMSRB (currently vacant), Debra Teske, Administrative Supervisor, Robert Norlen, Field Services Supervisor, Julie Vangsness, Administrative Services Unit, Talia Landucci, Grants Manager, and Melody Nagy, Office Manager, to oversee activities to address the recommendations in the audit report before the end of this current fiscal year.

I hope this reply has satisfactorily addressed the findings and recommendations in your audit report. Please feel free to contact me at (651) 201-2808 or Debra.Teske@state.mn.us should you have any further questions or concerns.

Sincerely,



Debra K. Teske
Interim Executive Director
Minnesota Emergency Medical Services Regulatory Board