

**REPORT
ON THE
LIMITED REVIEW**

**COUNTY OF SANTA CLARA
SAN JOSE, CALIFORNIA**

**HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
CFDA NO. 93.889**

**FISCAL PERIOD
SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

**Audits Section - Richmond
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Louise Wong
Audit Supervisor: Sandra Garcia
Auditor: Edmund Yee**



TOBY DOUGLAS
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR
GOVERNOR

January 26, 2011

Rocio Luna, MPH
Division Director
Public Health Preparedness and Data Management
Santa Clara County Public Health Department
976 Lenzen Avenue, Suite 1800
San Jose, CA 95126

Dear Ms. Luna:

The claims for expenditures for services provided by County of Santa Clara under the Hospital Preparedness Program, HPP Funding Grant Agreement, and Federal Domestic Assistance Number: 93.889, for the fiscal period of September 1, 2005 through August 31, 2006, have been reviewed by the Financial Audits Branch of the Department of Health Care Services.

Except as set forth in the following paragraph, our audit was made in accordance with generally accepted government auditing standards as promulgated by the Comptroller General of the United States. Accordingly, our review included such tests of the accounting records and other audit procedures, as we considered necessary under the circumstances.

The financial statements of County of Santa Clara for the year ending June 30, 2006, were examined by other auditors whose report dated November 28, 2006 expressed an unqualified opinion on those statements.

The scope of our review was limited to specific contract or program requirements relating to financial compliance and did not include sufficient work to determine whether the financial statements present fairly the financial position and the results of the financial operations. We have not duplicated the work performed by the other auditors.

As noted in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial position referred above.

Rocio Luna, MPH

Page 2

The exit conference was held on August 4, 2009 at which time the results of the engagement were discussed.

This Audit Report includes the:

1. Executive Summary of Findings
2. Grant Compliance
3. Line Item Budget Expenditures
4. Financial Schedules

The report concludes that no additional amount is due the State or Contractor.

Emergency Preparedness Office may require a corrective action plan in response to the findings in this report. If so, please send a copy of the corrective action plan to:

Patty Call
Contract Manager
Planning and Policy Unit
Emergency Preparedness Office
California Department of Public Health
1615 Capitol Avenue, Suite 73.373
P.O. Box 997413, MS 7002
Sacramento, CA 95899-7413

If you should have any further question, please contact Patty Call, Contract Manager, Planning and Policy Unit, Emergency Preparedness Office at (916) 650-6456.

Original Signed by

Louise Wong, Chief
Audits Section – Richmond
Financial Audits Branch

Certified

cc: Betsey Lyman
Deputy Director

Susan Fanelli
Assistant Deputy Director

Patty Call
Contract Manager

Planning and Policy Unit
Emergency Preparedness Office
California Department of Public Health
1615 Capitol Avenue, Suite 73.373
P.O. Box 997413, MS 7002
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TABLE OF CONTENTS

- I. EXECUTIVE SUMMARY OF FINDINGS
- II. INTRODUCTION
 - A. Description of Program
 - B. Description of Agency
 - C. Site Locations
 - D. Funding Sources
 - E. Grant Goals and Objectives
 - F. Regulations
 - G. Abbreviations in this Report
- III. SCOPE OF AUDIT
- IV. GRANT COMPLIANCE
 - A. Hospital Preparedness Program (HPP) Grant Budget Year Extension
 - B. Federal HPP Grant Funds
 - C. Redirection of Funds
 - D. Supplanting of Funds
 - E. Single Audit
- V. LINE ITEM BUDGET EXPENDITURES
 - A. Subcontractor (Contractual)
 - B. California Department of Public Health (CDPH) Purchased Equipment and Supplies
 - C. Non-CDPH Purchased Equipment and Supplies
 - D. Personnel (Implementation) Costs
 - E. Administrative Costs
- VI. SYSTEMS AND PROCEDURES
- VII. SCHEDULES
 - 1. Summary of Audited Program Expenditures
 - 1a. Summary of Program Expenditures
 - 1b. Redirection of Funds by Critical Benchmarks
 - 1c. Comparison of Budget and Expenditures by Critical Benchmarks Prior To Final Approved Redirection
 - 2. Glossary of HPP Priority Areas and Critical Benchmarks
- VIII. CONTRACTOR'S RESPONSE TO AUDIT FINDINGS
- IX. PROGRAM'S RESPONSE TO AUDIT FINDINGS
- X. ATTACHMENT A

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

I. EXECUTIVE SUMMARY OF FINDINGS

The following information is a summary of our findings:

GRANT COMPLIANCE

1. The Hospital Preparedness Program (HPP) approved an extension of the budget year end date to the California Department of Public Health (CDPH) for the Year 4 award to August 31, 2007. This was done to allow the counties to complete emergency response activities approved by Emergency Preparedness Office (EPO). (See Section IV.A)
2. The HPP grant to the County awarded up to a total of \$1,082,510 of federal funds to implement HPP critical benchmarks. The County had expenditures totaling \$1,007,786. Unexpended federal program funds totaled \$74,724, representing 7% of the \$1,082,510 federal funds awarded. (See Section IV.B)
3. Our review disclosed redirection of funds from critical benchmarks to another without prior approval as required under the grant. Additionally, CDPH-direct-purchased equipment and supplies expenditures exceeded the base funding budget for the line item. Redirection of funds from critical benchmarks to other critical benchmarks was subsequently requested by the County and approved by the EPO on March 3, 2009. (See Section IV.C)
4. The agreement requires that the County not use the HPP funds to supplant existing levels of services in the County. During the course of our review, we did not detect any situations in which funds from this agreement were used to fund other pre-existing programs or other new programs. (See Section IV.D)

LINE ITEM BUDGET EXPENDITURES

1. Our review of grant line item budget expenditures to supporting documentation did not disclose any material exceptions. (See Section V)

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

II. INTRODUCTION

A. DESCRIPTION OF PROGRAM

The Hospital Preparedness Program (HPP). (formerly Health Resources and Services Administration (HRSA) is funded by the U.S. Department of Health and Human Services under the authority of Section 2802(b) of the Public Health Services (PHS) Act, as amended by the Pandemic and All-Hazards Preparedness Act (P.L. 109-417). The purpose of this program is to enable award recipients to improve surge capacity and enhance community and hospital preparedness for public health emergencies. Funds from HPP are used to build medical surge capability through planning, personnel, equipment, training and exercise capability at the State and local levels. These efforts are intended to support the National Preparedness Goal established by the Department of Homeland Security in 2005 and the goals outlined in Section 319C-2 of the PHS Act.

B. DESCRIPTION OF AGENCY

The County of Santa Clara Public Health Department is a local governmental agency, which is a part of the County of Santa Clara government.

The mission of the Public Health Department is to serve all people of Santa Clara County by protecting health; preventing disease, injury, premature death and disability; promoting health lifestyles, behaviors and environments; and responding to disasters, disease outbreaks and epidemics.

The County of Santa Clara (County) has a Hospital Preparedness Program (HPP) grant agreement with the California Department of Public Health (CDPH) (formerly CDHS), to receive federal HPP funding.

C. SITE LOCATION

The County of Santa Clara Public Health Department has the following various administrative and medical offices located throughout the county:

Office of Disaster Medical Services
645 South Bascom Avenue
San Jose, CA 95128

North County Public Health – Region 1
660 S. Fair Oaks Avenue
Sunnyvale, CA 94086

East Valley Public Health – Region 2

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

1989 McKee Road
San Jose, CA 95116

Downtown San Jose Public Health – Region 3
976 Lenzen Avenue
San Jose, CA 95126

West Valley Public Health – Region 4
577 Salmar
San Jose, CA 95008

Narvaez Public Health – Region 5
614 Tulley Road
San Jose, CA 95111

South County Public Health – Region 6
80 Highland Avenue
San Martine, CA 95046

D. FUNDING SOURCES

The following is a summary of the County of Santa Clara’s expenditures of federal awards for the fiscal year ended June 30, 2006.

	<u>Expenditures</u>
U.S. Department of Health and Human Services	\$286,311,810
U.S. Department of Agriculture	89,012,058
U.S. Department of Housing and Urban Development	12,529,710
U.S. Department of Homeland Security	6,224,154
U.S. Department of Justice	4,078,163
U.S. Department of Transportation	2,700,809
U.S. Department of Education	172,933
U.S. Department of Interior	73,658
Total Expenditures of Federal Awards	<u>\$401,103,295</u>

Hospital Preparedness Program Grant Funding

Hospital Preparedness Program (HPP) local funding awarded for the project period, September 1, 2005 through August 31, 2006, totaled \$1,082,510. HPP expenditures are included as part of U.S. Department of Health and Human Services expenditures line above.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

E. GRANT GOALS AND OBJECTIVES

The Hospital Preparedness Program (HPP) has developed Critical Benchmarks (CBM) designed to measure activities to assist hospitals and supporting health care systems to deliver coordinated and effective care to victims of terrorism and other public health emergencies.

A Cooperative Agreement between the federal, state, and local entities was used to support HPP program collaboration. The purpose of the HPP Cooperative Agreement is to build upon the planning, infrastructure development, and implementation that began in fiscal year 2002. The HPP requires the State and local entities to address critical benchmarks within priority areas.

Through the grant agreement, the funds are to implement the HPP Critical Benchmarks in accordance with the funding application, plan, and budget as approved by CDPH. The grant agreement's HPP priority areas and critical benchmarks parallel the Federal HPP priority areas and critical benchmarks. (Refer to Schedule 2 of this audit report for the Glossary of HPP Priority Areas and Critical Benchmarks).

The County of Santa Clara was contracted to address the following priority areas and critical benchmarks:

Priority Area # 1: Administration

Critical Benchmark # 1: Financial Accountability

Priority Area # 2: Regional Surge Capacity for the Care of Adult and Pediatric Victims of Terrorism and Other Public Health Emergencies

Critical Benchmark # 2-1: Surge Capacity: Beds

Critical Benchmark # 2-2: Surge Capacity: Isolation Capacity

Critical Benchmark # 2-5: Surge Capacity: Pharmaceutical Caches

Critical Benchmark # 2-6: Surge Capacity: Personal Protective Equipment

Critical Benchmark # 2-7: Surge Capacity: Decontamination

Critical Benchmark # 2-10: Surge Capacity: Communications and Information Technology

Priority Area # 5: Education and Preparedness Training

Critical Benchmark # 5: Education and Preparedness Training

Priority Area # 6: Terrorism Preparedness Exercises

Critical Benchmark # 6: Terrorism Preparedness Exercises

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

F. REGULATIONS

This program is governed by the following regulations:

- Public Health Service Act, Section 319C (42 USC 247 d-3)
- 45 CFR Part 92 (Under the Public Welfare section) (Under the Grant requirements for State, Local and Tribal Governments)
- OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations)
- California Health and Safety Code, Sections 101315 to 101320

G. ABBREVIATIONS IN THIS REPORT

CBM	Critical Benchmark
CDC	Centers for Diseases Control and Prevention
CDHS	California Department of Health Services
CDPH	California Department of Public Health (formerly CDHS)
CFDA	Catalog of Federal Domestic Assistance
EPO	Emergency Preparedness Office (California Department of Public Health Program Office)
HIPAA	Health Insurance Portability and Accountability Act
HPP	Hospital Preparedness Program (formerly HRSA)
HRSA	Health Resources and Services Administration
HVA	Hazards Vulnerability Analysis
OMB	U.S. Office of Management and Budget

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

III. SCOPE OF AUDIT

The Financial Audits Section's review of the County of Santa Clara (herein referred to as the County) was restricted to the Hospital Preparedness Program.

The audit consisted of the review of the financial records to ensure the existence of proper documentation and the propriety of claims submitted to the State for reimbursement. Such review included substantive testing:

- To determine that recorded and reported program funds awarded are expended in accordance with terms of the grant agreement with the CDPH;
- To determine that payments are for actual costs and reflect amounts billed to the State;
- To determine that payments are for services rendered;
- To determine that grant funds did not supplant existing levels of State and local funding for this program.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

IV. GRANT COMPLIANCE

The examination included a review to determine if the County conducted the program in compliance with grant terms and applicable regulatory requirements. The following is a summary of findings relating to this portion of the audit.

A. HPP 2005/2006 GRANT BUDGET YEAR EXTENSION

The Hospital Preparedness Program (HPP) approved an extension of the budget year end date to the California Department of Public Health (CDPH) for the Year 4 award to August 31, 2007. CDPH coordinated the budget extension with the Federal HPP to allow the counties to complete emergency response activities.

B. FEDERAL HPP GRANT FUNDS

The HPP grant to the County awarded up to a total of \$1,082,510 of federal funds to implement HPP critical benchmarks. The County had expenditures totaling \$1,007,786. Unexpended federal program funds totaled \$74,724, representing 7% of the \$1,082,510 federal funds awarded. The federal grant award is shown on Schedule 1A.

C. REDIRECTION OF FUNDS

Grant agreement, Exhibit B.8 – Budget Detail and Payment Provisions, Allowable Line Item Shifts, states that:

1. Redirection of funds within a critical benchmark of an amount of a cumulative threshold of 25% requires prior approval by CDHS.
2. Redirection of funds less than the prior approval threshold within a critical benchmark requires that local entity inform CDHS of the details of the redirection to ensure proper documentation and accountability.
3. Redirection of funds from one critical benchmark to another requires prior approval by CDHS regardless of the amount.

Our review disclosed redirection of funds from critical benchmarks to another without prior approval as required under the grant. HPP expenditures for Critical Benchmarks #2-2 and #2-6 exceeded approved budget amounts which indicated redirection of funds from one critical benchmark to another. Additionally, CDPH-direct-purchased equipment and supplies expenditures exceeded the base funding budget for the line item. During the audit, we informed the County of the need for approval for the redirection of funds. The County subsequently requested and received approval by the EPO on March 3, 2009 for the redirection of funds from critical benchmarks to other critical benchmarks, and funds from the subcontractor (contractual) and Non-CDPH-purchased equipment and supplies budget lines to the

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

CDPH-direct-purchased equipment and supplies line. (Redirection of funds by critical benchmarks is shown on Schedules 1B and 1C.)

In a letter dated June 3, 2009, the County contested this audit finding. (See Section X, Attachment A for copy of the letter.) We respectfully disagree with the County's assertions due to the following:

1. CDPH-direct purchases were an integral part of the grant budget and essential in balancing the grant funds. CDPH oversees bulk purchases on behalf of local entities for the provision of surge supplies and equipment and pharmaceutical caches. These bulk purchases expedite the purchasing process and allow California to take advantage of bulk purchasing prices. Part of the County's application to EPO to receive HPP program funds required the County to prepare budget forms showing the proposed use of funds. These budget forms included amounts requested for equipment and supplies that are available via Grainger, CDPH's prime vendor contract. The County's revised budget and justification approved August 22, 2007 showed a total of \$229,427 requested for CDPH-direct purchases. An invoice submitted by the County to EPO on October 18, 2007 did not report any line item expenditures for CDPH-direct purchases. However, for the 05/06 grant period, CDPH-direct purchased equipment and supplies totaled \$264,449. (See Schedule 1C for a comparison of budget and expenditures by critical benchmarks.)

The same invoice also showed Critical Benchmark #2-2: Non-CDPH purchases exceeding the budgeted amount by \$5,238; which the County stated was covered by shifting a portion of funds for Critical Benchmark #2-2: CDPH-direct purchases and administrative fees. However, this disregarded amounts budgeted for Critical Benchmark #2-2: CDPH-direct purchases expenditures and the portion of administrative fees associated with CDPH-direct purchases. The approved budget amount for Critical Benchmark #2-2: CDPH-direct purchases (supported by the County's budget justification) were \$49,144, which necessitated 15% or \$7,372 for Critical Benchmark #2-2: administrative fees. When the County shifted the funds to cover the overage on Critical Benchmark #2-2: Non-CDPH purchases, this resulted in funds short to cover Critical Benchmark #2-2: CDPH-direct purchases and the administrative fees related to CDPH-Purchases. CDPH-direct purchases must be considered as it relates to the budget funds.

2. Although the final CDPH-direct purchases may not have been communicated by EPO to the County until after the grant fiscal year, there was County documentation available to support calculations and comparison to the budgeted amounts, which still show overages.

The CDPH 2005 Local Guidance related to the application for HPP funds, Section C.1 requires the County to track and report expenditures by critical

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

benchmark and type of entity receiving funds (hospitals, emergency departments, EMS systems, poison control centers, community health centers, rural health clinics, federally qualified health centers, tribally-owned health care facilities, and other outpatient facilities). The County's revised budget and justification approved August 22, 2007 showed a total of \$229,427 for CDPH-direct purchases. The final CDPH-direct purchases showed a total of \$264,448, for a difference of \$35,021. Pricing difference between list price and Grainger price accounted for \$9,788 of the \$35,021. The remaining difference appears due to additional purchases.

3. EPO's guidance for the County to submit a revised invoice (which became the October 23, 2007 invoice) was appropriate, as the inclusion of CDPH-direct purchases was necessary as part of required information to include on the invoice. EPO approved and paid the invoice, and may or may not have provided instructions to complete a budget revision; but, there was still the need for a budget revision due to redirection of funds as required under the grant agreement. Generally, the lack of additional program instructions to what is already part of the grant provisions would not relieve the County of its grant obligations.

Recommendation:

We recommend the County obtain prior approval from the EPO to comply with fund redirection requirements as outlined in Exhibit B.8 of the grant agreement.

D. SUPPLANTING OF FUNDS

Grant agreement, Exhibit A.7.A – Scope of Work, Expenditure and Program Requirement, states "In accordance with the signed conditions of funding form submitted by all recipients of HRSA funds as part of the funding application, plan, and budget, funds shall not be used to supplant funding for existing levels of services and will be only be used for the purposes designated herein."

EPO performed a review in part to determine if supplanting of funds might occur prior to acceptance and approval of the County's agreement application. During the course of our review, we did not detect any situations in which funds from this agreement were used to fund other pre-existing programs or other new programs.

E. SINGLE AUDIT

In accordance with OMB Circular A-133, Non-Federal entities that expend \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part. The County had expenditures of Federal awards of approximately \$30,000,000 for the fiscal year ended June 30, 2006. (See Section II.D of this report for additional information).

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

We were provided with the Single Audit Reports for Fiscal Year Ended June 30, 2006, issued by Bartig, Basler & Ray, LLP, whose report was dated September 14, 2006. The independent auditor's opinion was that the County complied, in all material respects, with OMB A-133 compliance requirements to each of the major federal programs. However, the results of their auditing procedures disclosed instances of noncompliance with those requirements applicable to the Food Stamps Program (CFDA 10.551 and 10.561) No exceptions were disclosed in the Single Audit Reports regarding the Hospital Preparedness Program.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

V. LINE ITEM BUDGET EXPENDITURES

The following is a discussion of the fiscal findings relating to our examination of the County's line item expenditures. The details of these amounts are included on Schedules 1 and 1A of this report.

1. Subcontractor (Contractual) - \$329,848

The County's revised budget requested a total of \$329,848 associated with Critical Benchmark (CBM) # 2: Surge Capacity, CBM # 5: Education and Preparedness Training, and CBM # 6: Terrorism Preparedness Exercises for items such as surge plan consulting, satellite antennae cabling for acute care hospitals, CLEAR-NET (satellite) phone line, communication system installation, EMS system (an internet-based electronic emergency management system), CLEAR-NET pager programming, HAM radio transmitter upgrade, CLEAR-NET/HAN (Health Alert Network) integration, and training. The County claimed \$329,848 in subcontractor expenditures. Our review of subcontractor expenditures totaling \$329,555 or 99% ($\$329,555/\$329,848$) did not disclose any material exceptions. The County's expenditures were consistent with items on their revised budget justification.

2. CDPH-Purchased Equipment and Supplies - \$264,449

The County's revised budget requested \$264,449 for equipment and supplies that are available via CDPH's prime vendor contract. These equipment and supplies were to be directly purchased by CDPH and delivered to the entities named in the County's approved plan. CDPH purchased equipment and supplies were associated with CBM # 2: Surge Capacity for items such as powered air-purifying respirators, hooded chemical resistant clothing, gloves, boots, decontamination showers, cots, blankets, patient belonging bags, barrier fence, caution tape, megaphones, command vest kits, hospital response kits, portable electric generator, lighting, satellite phones, etc.

During the 05/06 grant period, CDPH direct purchased equipment and supplies totaled \$264,449 from the State selected vendor (Grainger). The County maintained a medical surge inventory tracking database. Our review did not disclose any material exceptions.

3. Non-CDPH-Purchased Equipment and Supplies - \$297,106

The County's revised budget requested a total of \$297,106 for non-CDPH-purchased equipment and supplies associated with CBM # 2: Surge Capacity for personal emergency kits, storage containers, gas siphon, metal safety gas can, Evacused (an emergency evacuation device), portable patient isolation units, pharmaceutical cache, satellite phone cards, wireless broadband personal computer (PC) cards including service, satellite phones, CLEAR-NET cellular

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

phone service, and CLEAR-NET pager interface. The County claimed \$232,129 in Non-CDPH-Purchased Equipment and Supplies expenditures. Our review of expenditures totaling \$230,634 or 99% (\$230,634/\$232,129) did not disclose any material exceptions. The County's expenditures were consistent with items on their revised budget justification.

4. Personnel (Implementation) Costs - \$49,910

The County's revised budget requested a total of \$49,910 for a Local HPP Coordinator to aid in the implementation of the HPP grant requirements. The County claimed salaries, benefits and mileage expenses for the Local HPP Coordinator up to the grant budget amount of \$49,910. Our review of the County's payroll records and general ledger did not disclose any material exceptions.

5. Administrative Costs - \$141,197

Grant agreement, Exhibit B.6 – Budget Detail and Payment Provisions, Amounts Payable, states in part that "In addition, this Agreement awards an administrative fee to the local entity, based on "Local Entity Purchases". The approved budget for the administrative fees is identified as "Local Entity Administrative Fees". Under the grant agreement, as a fiscal agent, the County can claim 15% of total allowable contractual, CDPH-purchased equipment and supplies, Non-CDPH purchased equipment and supplies, and personnel (implementation) costs, as an administrative fee. The County's revised budget requested \$141,197 for fiscal agent administrative costs. The County claimed \$131,450 (or 15% of their HPP expenditures) as the Fiscal Agent administrative fee.

Further, based on our examination, nothing came to our attention to indicate that the County has not complied with the material terms and conditions of the grant beyond the findings noted above.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

VI. SYSTEMS AND PROCEDURES

The management of the County of Santa Clara is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance the assets are safeguarded against loss, from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

We did not review the County of Santa Clara's overall internal control structure. We limited our internal control review to the County's procedures to account for Hospital Preparedness Program funds, and the County's preparation of the required filing of the written progress and expenditures reports.

Further, the CPA's Comprehensive Annual Financial Report (CAFR) of the County of Santa Clara for the fiscal year ended June 30, 2006 disclosed no material weaknesses related to the overall internal control structure.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

VII. SCHEDULES

Schedules of financial data have been included in this report to summarize the amounts claimed and paid under the grant agreement as presented on Schedules 1 and 1A.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

VIII. CONTRACTOR'S RESPONSE TO AUDIT FINDINGS

The audit findings were discussed at the exit conference on August 4, 2009. A copy of the Contractor's response is included as Attachment A.

No revisions were made to this report as a result of the Contractor's response.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

IX. PROGRAM'S RESPONSE TO AUDIT FINDINGS

Emergency Preparedness Office (EPO) has responded to the findings of this report and was in agreement with the findings.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

SUMMARY OF AUDITED PROGRAM EXPENDITURES

Budget Categories	Audit Adjustment No.	2005/2007 Expenditures		
		As Reported	Audit Adjustments	As Audited
1. Contractual				
A. Critical Benchmark 2-1, Bed Capacity		\$100,000		\$100,000
B. Critical Benchmark 2-2, Isolation Capacity		0		0
C. Critical Benchmark 2-5, Pharmaceutical Caches		0		0
D. Critical Benchmark 2-6, Personal Protective Equipment		0		0
E. Critical Benchmark 2-7, Decontamination		0		0
F. Critical Benchmark 2-10, Communication and Information Technology		90,855		90,855
G. Critical Benchmark 5, Education and Preparedness Training		15,494		15,494
H. Critical Benchmark 6, Terrorism Preparedness Exercises		123,499		123,499
Total Contractual		329,848		329,848
2. CDPH-Purchased Equipment and Supplies				
A. Critical Benchmark 2-1, Bed Capacity		69,663		69,663
B. Critical Benchmark 2-2, Isolation Capacity		54,904		54,904
C. Critical Benchmark 2-5, Pharmaceutical Caches		0		0
D. Critical Benchmark 2-6, Personal Protective Equipment		90,873		90,873
E. Critical Benchmark 2-7, Decontamination		49,009		49,009
F. Critical Benchmark 2-10, Communication and Information Technology		0		0
G. Critical Benchmark 5, Education and Preparedness Training		0		0
H. Critical Benchmark 6, Terrorism Preparedness Exercises		0		0
Total CDPH-Purchased Equipment and Supplies		264,449		264,449
3. Non-CDPH Purchased Equipment And Supplies				
A. Critical Benchmark 2-1, Bed Capacity		47,438		47,438
B. Critical Benchmark 2-2, Isolation Capacity		68,738		68,738
C. Critical Benchmark 2-5, Pharmaceutical Caches		109,222		109,222
D. Critical Benchmark 2-6, Personal Protective Equipment		0		0
E. Critical Benchmark 2-7, Decontamination		0		0
F. Critical Benchmark 2-10, Communication and Information Technology		6,731		6,731
G. Critical Benchmark 5, Education and Preparedness Training		0		0
H. Critical Benchmark 6, Terrorism Preparedness Exercises		0		0
Non-CDPH Purchased Equipment And Supplies		232,129		232,129

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

SUMMARY OF AUDITED PROGRAM EXPENDITURES

Budget Categories	Audit Adjustment No.	2005/2007 Expenditures		
		As Reported	Audit Adjustments	As Audited
4. Personnel (Implementation)				
A. Critical Benchmark 2-1, Bed Capacity		\$10,000		\$10,000
B. Critical Benchmark 2-2, Isolation Capacity		4,910		4,910
C. Critical Benchmark 2-5, Pharmaceutical Caches		10,000		10,000
D. Critical Benchmark 2-6, Personal Protective Equipment		5,000		5,000
E. Critical Benchmark 2-7, Decontamination		5,000		5,000
F. Critical Benchmark 2-10, Communication and Information Technology		5,000		5,000
G. Critical Benchmark 5, Education and Preparedness Training		5,000		5,000
H. Critical Benchmark 6, Terrorism Preparedness Exercises		5,000		5,000
Total Personnel (Implementation)		49,910		49,910
5. Administrative Costs (Not To Exceed 15%)				
A. Critical Benchmark 2-1, Bed Capacity		34,065		34,065
B. Critical Benchmark 2-2, Isolation Capacity		19,283		19,283
C. Critical Benchmark 2-5, Pharmaceutical Caches		17,883		17,883
D. Critical Benchmark 2-6, Personal Protective Equipment		14,381		14,381
E. Critical Benchmark 2-7, Decontamination		8,101		8,101
F. Critical Benchmark 2-10, Communication and Information Technology		15,388		15,388
G. Critical Benchmark 5, Education and Preparedness Training		3,074		3,074
H. Critical Benchmark 6, Terrorism Preparedness Exercises		19,275		19,275
Total Administrative Costs		131,450		131,450
GRAND TOTAL		\$1,007,786		\$1,007,786

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

SUMMARY OF PROGRAM EXPENDITURES

Budget Categories	Approved Original Budget	Approved Revised Budget 2 *	2005/2007 Expenditures	Total Unspent Funds
1. Contractual				
A. Critical Benchmark 2-1, Bed Capacity	\$100,004	\$100,000	\$100,000	\$0
B. Critical Benchmark 2-2, Isolation Capacity	0	0	0	0
C. Critical Benchmark 2-5, Pharmaceutical Caches	0	0	0	0
D. Critical Benchmark 2-6, Personal Protective Equipment	0	0	0	0
E. Critical Benchmark 2-7, Decontamination	0	0	0	0
F. Critical Benchmark 2-10, Communication and Information Technology	117,448	90,855	90,855	0
G. Critical Benchmark 5, Education and Preparedness Training	34,450	15,494	15,494	0
H. Critical Benchmark 6, Terrorism Preparedness Exercises	125,000	123,499	123,499	0
Total Contractual	376,902	329,848	329,848	0
2. CDPH-Purchased Equipment and Supplies				
A. Critical Benchmark 2-1, Bed Capacity	40,502	69,663	69,663	0
B. Critical Benchmark 2-2, Isolation Capacity	49,145	54,904	54,904	0
C. Critical Benchmark 2-5, Pharmaceutical Caches	0	0	0	0
D. Critical Benchmark 2-6, Personal Protective Equipment	79,955	90,873	90,873	0
E. Critical Benchmark 2-7, Decontamination	42,308	49,009	49,009	0
F. Critical Benchmark 2-10, Communication and Information Technology	0	0	0	0
G. Critical Benchmark 5, Education and Preparedness Training	0	0	0	0
H. Critical Benchmark 6, Terrorism Preparedness Exercises	0	0	0	0
Total CDPH-Purchased Equipment and Supplies	211,910	264,449	264,449	0
3. Non-CDPH Purchased Equipment And Supplies				
A. Critical Benchmark 2-1, Bed Capacity	67,798	69,911	47,438	22,473
B. Critical Benchmark 2-2, Isolation Capacity	76,000	68,738	68,738	0
C. Critical Benchmark 2-5, Pharmaceutical Caches	109,559	109,223	109,222	1
D. Critical Benchmark 2-6, Personal Protective Equipment	0	0	0	0
E. Critical Benchmark 2-7, Decontamination	0	0	0	0
F. Critical Benchmark 2-10, Communication and Information Technology	49,234	49,234	6,731	42,503
G. Critical Benchmark 5, Education and Preparedness Training	0	0	0	0
H. Critical Benchmark 6, Terrorism Preparedness Exercises	0	0	0	0
Non-CDPH Purchased Equipment And Supplies	302,591	297,106	232,129	64,977

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

SUMMARY OF PROGRAM EXPENDITURES

Budget Categories	Approved Original Budget	Approved Revised Budget 2 *	2005/2007 Expenditures	Total Unspent Funds
4. Personnel (Implementation)				
A. Critical Benchmark 2-1, Bed Capacity	\$10,000	\$10,000	\$10,000	\$0
B. Critical Benchmark 2-2, Isolation Capacity	4,910	4,910	4,910	0
C. Critical Benchmark 2-5, Pharmaceutical Caches	10,000	10,000	10,000	0
D. Critical Benchmark 2-6, Personal Protective Equipment	5,000	5,000	5,000	0
E. Critical Benchmark 2-7, Decontamination	5,000	5,000	5,000	0
F. Critical Benchmark 2-10, Communication and Information Technology	5,000	5,000	5,000	0
G. Critical Benchmark 5, Education and Preparedness Training	5,000	5,000	5,000	0
H. Critical Benchmark 6, Terrorism Preparedness Exercises	5,000	5,000	5,000	0
Total Personnel (Implementation)	49,910	49,910	49,910	0
5. Administrative Costs (Not To Exceed 15%)				
A. Critical Benchmark 2-1, Bed Capacity	32,746	37,436	34,065	3,371
B. Critical Benchmark 2-2, Isolation Capacity	19,508	19,283	19,283	0
C. Critical Benchmark 2-5, Pharmaceutical Caches	17,934	17,883	17,883	0
D. Critical Benchmark 2-6, Personal Protective Equipment	12,743	14,381	14,381	0
E. Critical Benchmark 2-7, Decontamination	7,096	8,101	8,101	0
F. Critical Benchmark 2-10, Communication and Information Technology	25,752	21,764	15,388	6,376
G. Critical Benchmark 5, Education and Preparedness Training	5,918	3,074	3,074	0
H. Critical Benchmark 6, Terrorism Preparedness Exercises	19,500	19,275	19,275	0
Total Administrative Costs	141,197	141,197	131,450	9,747
GRAND TOTAL	\$1,082,510	\$1,082,510	\$1,007,786	\$74,724

* Redirection of funds approved by EPO on March 3, 2009 during the audit field work.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

REDIRECTION OF FUNDS BY CRITICAL BENCHMARKS

Critical Benchmark 2-1, Bed Capacity	Approved Revised Budget 1 *	Approved Revised Budget 2**	Difference
Contractual	\$100,000	\$100,000	\$0
CDPH-Purchased Equipment and Supplies	\$40,502	\$69,663	\$29,161
Non-CDPH Purchased Equipment And Supplies	\$85,398	\$69,911	(\$15,487)
Personnel (Implementation)	\$10,000	\$10,000	\$0
Administrative Fee (Not To Exceed 15%)	\$35,385	\$37,436	\$2,051
TOTAL	\$271,285	\$287,010	\$15,725
25% cumulative threshold	\$67,821		

Critical Benchmark 2-2, Isolation Capacity	Approved Revised Budget 1 *	Approved Revised Budget 2**	Difference
Contractual	\$0	\$0	\$0
CDPH-Purchased Equipment and Supplies	\$49,145	\$54,904	\$5,759
Non-CDPH Purchased Equipment And Supplies	\$63,500	\$68,738	\$5,238
Personnel (Implementation)	\$4,910	\$4,910	\$0
Administrative Fee (Not To Exceed 15%)	\$17,633	\$19,283	\$1,650
TOTAL	\$135,188	\$147,835	\$12,647
25% cumulative threshold	\$33,797		

Critical Benchmark 2-5, Pharmaceutical Caches	Approved Revised Budget 1 *	Approved Revised Budget 2**	Difference
Contractual	\$0	\$0	\$0
CDPH-Purchased Equipment and Supplies	\$0	\$0	\$0
Non-CDPH Purchased Equipment And Supplies	\$109,223	\$109,223	\$0
Personnel (Implementation)	\$10,000	\$10,000	\$0
Administrative Fee (Not To Exceed 15%)	\$17,884	\$17,883	(\$1)
TOTAL	\$137,107	\$137,106	(\$1)
25% cumulative threshold	\$34,277		

* First budget revision approved by EPO on August 22, 2007.

** Second budget revision approved by EPO on March 3, 2009 during the audit field work.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

REDIRECTION OF FUNDS BY CRITICAL BENCHMARKS

Critical Benchmark 2-6, Personal Protective Equipment	Approved Revised Budget 1 *	Approved Revised Budget 2**	Difference
Contractual	\$0	\$0	\$0
CDPH-Purchased Equipment and Supplies	\$79,955	\$90,873	\$10,918
Non-CDPH Purchased Equipment And Supplies	\$0	\$0	\$0
Personnel (Implementation)	\$5,000	\$5,000	\$0
Administrative Fee (Not To Exceed 15%)	\$12,743	\$14,381	\$1,638
TOTAL	\$97,698	\$110,254	\$12,556
25% cumulative threshold	\$24,425		

Critical Benchmark 2-7, Decontamination	Approved Revised Budget 1 *	Approved Revised Budget 2**	Difference
Contractual	\$0	\$0	\$0
CDPH-Purchased Equipment and Supplies	\$59,823	\$49,009	(\$10,814)
Non-CDPH Purchased Equipment And Supplies	\$0	\$0	\$0
Personnel (Implementation)	\$5,000	\$5,000	\$0
Administrative Fee (Not To Exceed 15%)	\$9,723	\$8,101	(\$1,622)
TOTAL	\$74,546	\$62,110	(\$12,436)
25% cumulative threshold	\$18,637		

Critical Benchmark 2-10, Communication and Information Technology	Approved Revised Budget 1 *	Approved Revised Budget 2**	Difference
Contractual	\$112,172	\$90,855	(\$21,317)
CDPH-Purchased Equipment and Supplies	\$0	\$0	\$0
Non-CDPH Purchased Equipment And Supplies	\$49,234	\$49,234	\$0
Personnel (Implementation)	\$5,000	\$5,000	\$0
Administrative Fee (Not To Exceed 15%)	\$24,961	\$21,764	(\$3,197)
TOTAL	\$191,367	\$166,853	(\$24,514)
25% cumulative threshold	\$47,842		

* First budget revision approved by EPO on August 22, 2007.

** Second budget revision approved by EPO on March 3, 2009 during the audit field work.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

REDIRECTION OF FUNDS BY CRITICAL BENCHMARKS

Critical Benchmark 5, Education and Preparedness Training	Approved Revised Budget 1 *	Approved Revised Budget 2**	Difference
Contractual	\$18,950	\$15,494	(\$3,456)
CDPH-Purchased Equipment and Supplies	\$0	\$0	\$0
Non-CDPH Purchased Equipment And Supplies	\$0	\$0	\$0
Personnel (Implementation)	\$5,000	\$5,000	\$0
Administrative Fee (Not To Exceed 15%)	\$3,593	\$3,074	(\$519)
TOTAL	\$27,543	\$23,568	(\$3,975)
25% cumulative threshold	\$6,886		

Critical Benchmark 6, Terrorism Preparedness Exercises	Approved Revised Budget 1 *	Approved Revised Budget 2**	Difference
Contractual	\$123,501	\$123,499	(\$2)
CDPH-Purchased Equipment and Supplies	\$0	\$0	\$0
Non-CDPH Purchased Equipment And Supplies	\$0	\$0	\$0
Personnel (Implementation)	\$5,000	\$5,000	\$0
Administrative Fee (Not To Exceed 15%)	\$19,275	\$19,275	\$0
TOTAL	\$147,776	\$147,774	(\$2)
25% cumulative threshold	\$36,944		

Budget Categories	Approved Revised Budget 1 *	Approved Revised Budget 2**	Difference
Contractual	\$354,623	\$329,848	(\$24,775)
CDPH-Purchased Equipment and Supplies	\$229,425	\$264,449	35,024
Non-CDPH Purchased Equipment And Supplies	\$307,355	\$297,106	(10,249)
Personnel (Implementation)	\$49,910	\$49,910	-
Administrative Fee (Not To Exceed 15%)	\$141,197	\$141,197	-
TOTAL	\$1,082,510	\$1,082,510	\$0

* First budget revision approved by EPO on August 22, 2007.

** Second budget revision approved by EPO on March 3, 2009 during the audit field work.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

**COMPARISON OF BUDGET AND EXPENDITURES BY CRITICAL BENCHMARKS PRIOR TO
FINAL APPROVED REDIRECTION**

Critical Benchmark 2-1, Bed Capacity	Approved Revised Budget 1*	2005/2007 Expenditures	Unspent Funds
Contractual	\$100,000	\$100,000	\$0
CDPH-Purchased Equipment and Supplies **	\$40,502	\$69,663	\$29,161
Non-CDPH Purchased Equipment And Supplies	\$85,398	\$47,438	(\$37,960)
Personnel (Implementation)	\$10,000	\$10,000	\$0
Administrative Fee (Not To Exceed 15%)	\$35,385	\$34,065	(\$1,320)
TOTAL	\$271,285	\$261,166	(\$10,119)
25% cumulative threshold	\$67,821		

Critical Benchmark 2-2, Isolation Capacity	Approved Revised Budget 1*	2005/2007 Expenditures	Unspent Funds
Contractual	\$0	\$0	\$0
CDPH-Purchased Equipment and Supplies **	\$49,145	\$54,904	\$5,759
Non-CDPH Purchased Equipment And Supplies	\$63,500	\$68,738	\$5,238
Personnel (Implementation)	\$4,910	\$4,910	\$0
Administrative Fee (Not To Exceed 15%)	\$17,633	\$19,283	\$1,650
TOTAL	\$135,188	\$147,835	\$12,647
25% cumulative threshold	\$33,797		

Critical Benchmark 2-5, Pharmaceutical Caches	Approved Revised Budget 1*	2005/2007 Expenditures	Unspent Funds
Contractual	\$0	\$0	\$0
CDPH-Purchased Equipment and Supplies **	\$0	\$0	\$0
Non-CDPH Purchased Equipment And Supplies	\$109,223	\$109,222	(\$1)
Personnel (Implementation)	\$10,000	\$10,000	\$0
Administrative Fee (Not To Exceed 15%)	\$17,884	\$17,883	(\$1)
TOTAL	\$137,107	\$137,105	(\$2)
25% cumulative threshold	\$34,277		

* First budget revision approved by EPO on August 22, 2007.

** The County did not report any CDPH-Purchased Equipment and Supplies expenditures on their October 18, 2007 invoice.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

**COMPARISON OF BUDGET AND EXPENDITURES BY CRITICAL BENCHMARKS PRIOR TO
FINAL APPROVED REDIRECTION**

Critical Benchmark 2-6, Personal Protective Equipment	Approved Revised Budget 1*	2005/2007 Expenditures	Unspent Funds
Contractual	\$0	\$0	\$0
CDPH-Purchased Equipment and Supplies **	\$79,955	\$90,873	\$10,918
Non-CDPH Purchased Equipment And Supplies	\$0	\$0	\$0
Personnel (Implementation)	\$5,000	\$5,000	\$0
Administrative Fee (Not To Exceed 15%)	\$12,743	\$14,381	\$1,638
TOTAL	\$97,698	\$110,254	\$12,556
25% cumulative threshold	\$24,425		

Critical Benchmark 2-7, Decontamination	Approved Revised Budget 1*	2005/2007 Expenditures	Unspent Funds
Contractual	\$0	\$0	\$0
CDPH-Purchased Equipment and Supplies **	\$59,823	\$49,009	(\$10,814)
Non-CDPH Purchased Equipment And Supplies	\$0	\$0	\$0
Personnel (Implementation)	\$5,000	\$5,000	\$0
Administrative Fee (Not To Exceed 15%)	\$9,723	\$8,101	(\$1,622)
TOTAL	\$74,546	\$62,110	(\$12,436)
25% cumulative threshold	\$18,637		

Critical Benchmark 2-10, Communication and Information Technology	Approved Revised Budget 1*	2005/2007 Expenditures	Unspent Funds
Contractual	\$112,172	\$90,855	(\$21,317)
CDPH-Purchased Equipment and Supplies **	\$0	\$0	\$0
Non-CDPH Purchased Equipment And Supplies	\$49,234	\$6,731	(\$42,503)
Personnel (Implementation)	\$5,000	\$5,000	\$0
Administrative Fee (Not To Exceed 15%)	\$24,961	\$15,388	(\$9,573)
TOTAL	\$191,367	\$117,974	(\$73,393)
25% cumulative threshold	\$47,842		

* First budget revision approved by EPO on August 22, 2007.

** The County did not report any CDPH-Purchased Equipment and Supplies expenditures on their October 18, 2007 invoice.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

**COMPARISON OF BUDGET AND EXPENDITURES BY CRITICAL BENCHMARKS PRIOR TO
FINAL APPROVED REDIRECTION**

Critical Benchmark 5, Education and Preparedness Training	Approved Revised Budget 1*	2005/2007 Expenditures	Unspent Funds
Contractual	\$18,950	\$15,494	(\$3,456)
CDPH-Purchased Equipment and Supplies **	\$0	\$0	\$0
Non-CDPH Purchased Equipment And Supplies	\$0	\$0	\$0
Personnel (Implementation)	\$5,000	\$5,000	\$0
Administrative Fee (Not To Exceed 15%)	\$3,593	\$3,074	(\$519)
TOTAL	\$27,543	\$23,568	(\$3,975)
25% cumulative threshold	\$6,886		

Critical Benchmark 6, Terrorism Preparedness Exercises	Approved Revised Budget 1*	2005/2007 Expenditures	Unspent Funds
Contractual	\$123,501	\$123,499	(\$2)
CDPH-Purchased Equipment and Supplies **	\$0	\$0	\$0
Non-CDPH Purchased Equipment And Supplies	\$0	\$0	\$0
Personnel (Implementation)	\$5,000	\$5,000	\$0
Administrative Fee (Not To Exceed 15%)	\$19,275	\$19,275	\$0
TOTAL	\$147,776	\$147,774	(\$2)
25% cumulative threshold	\$36,944		

Budget Categories	Approved Revised Budget 1*	2005/2007 Expenditures	Unspent Funds
Contractual	\$354,623	\$329,848	(\$24,775)
CDPH-Purchased Equipment and Supplies **	\$229,425	\$264,449	35,024
Non-CDPH Purchased Equipment And Supplies	\$307,355	\$232,129	(75,226)
Personnel (Implementation)	\$49,910	\$49,910	-
Administrative Fee (Not To Exceed 15%)	\$141,197	\$131,450	(9,747)
TOTAL	\$1,082,510	\$1,007,786	(\$74,724)

* First budget revision approved by EPO on August 22, 2007.

** The County did not report any CDPH-Purchased Equipment and Supplies expenditures on their October 18, 2007 invoice.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

GLOSSARY OF HPP PRIORITY AREAS AND CRITICAL BENCHMARKS

PRIORITY AREA #1: ADMINISTRATION

Critical Benchmark #1: Financial Accountability

Develop and maintain a financial accounting system capable of tracking expenditures by critical benchmark and by funds allocated to hospitals and other health care entities.

PRIORITY AREA #2: REGIONAL SURGE CAPACITY FOR THE CARE OF ADULT AND PEDIATRIC VICTIMS OF TERRORISM AND OTHER PUBLIC HEALTH EMERGENCIES

Critical Benchmark #2-1: Surge Capacity: Beds

Establish systems that, at a minimum, can provide triage treatment and initial stabilization, above the current daily staffed bed capacity, for the following classes of adult and pediatric patients requiring hospitalization within three hours in the wake of a terrorism incident or other public health emergency:

- a. 500 cases per million population for patients with symptoms of acute infectious disease – especially smallpox, anthrax, plague, tularemia and influenza;
- b. 50 cases per million population for patients with symptoms of acute botulinum intoxication or other acute chemical poisoning – especially that resulting from nerve agent exposure;
- c. 50 cases per million population for patients suffering burn or trauma; and
- d. 50 cases per million population for patients manifesting the symptoms of radiation induced injury – especially bone marrow suppression.

Critical Benchmark #2-2: Surge Capacity: Isolation Capacity

Ensure that all participating hospitals have the capacity to maintain, in negative pressure isolation, at least one suspected case of a highly infectious disease (e.g., smallpox, pneumonic plague, SARS, influenza and hemorrhagic fevers) or febrile patient with a suspect rash or other symptoms of concern who might be developing a highly communicable disease.

Awardees must identify at least one regional healthcare facility, in each awardee defined region, that is able to support the initial evaluation and treatment of at least 10 adult and pediatric patients at a time in negative pressure isolation within 3 hours post-event.

Critical Benchmark #2-3: Surge Capacity: Health Care Personnel

This benchmark has been incorporated into Critical Benchmark #2-4.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

GLOSSARY OF HPP PRIORITY AREAS AND CRITICAL BENCHMARKS

Critical Benchmark # 2-4 Surge Capacity: Emergency System for Advance Registration of Volunteer Health Professionals

Develop a system that allows for the advance registration and credentialing of clinicians needed to augment a hospital or other medical facility to meet patient/victim care and increased surge capacity needs.

Critical Benchmark #2-5: Surge Capacity: Pharmaceutical Caches

Establish a regional system that insures a sufficient supply of pharmaceuticals to provide prophylaxis for 3 days to hospital personnel (medical and ancillary staff), hospital based emergency first responders and their families -- in the wake of a terrorist-induced outbreak of anthrax or other disease for which such countermeasures are appropriate.

Critical Benchmark #2-6: Surge Capacity: Personal Protective Equipment

Each awardee must ensure adequate personal protective equipment (PPE) per awardee defined region, to protect current and additional health care personnel, during an incident. This benchmark is tied directly to the number of health care personnel the awardee must provide to support surge capacity for beds.

The level of PPE will be established based on the Hazards Vulnerability Analysis (HVA), and the level of decontamination that is being designed in CBM #2-7.

Critical Benchmark #2-7: Surge Capacity: Decontamination

Insure that adequate portable or fixed decontamination systems exist for managing adult & pediatric patients as well as health care personnel, who have been exposed during a chemical, biological, radiological, or explosive incident in accordance with the numbers associated with CBM #2-1.

Critical Benchmark #2-8: Surge Capacity: Behavioral (Psychosocial) Health

Enhance the networking capacity and training of health care professionals to be able to recognize, treat and coordinate care related to the behavioral health consequences of bioterrorism or other public health emergencies.

Critical Benchmark #2-9: Surge Capacity: Trauma and Burn Care

This benchmark has been incorporated into Critical Benchmark #2-1.

Critical Benchmark #2-10: Surge Capacity: Communications and Information Technology

Establish a secure and redundant communications system that insures connectivity during a terrorist incident or other public health emergency between health care facilities and state and local health departments, emergency medical services, emergency management

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

GLOSSARY OF HPP PRIORITY AREAS AND CRITICAL BENCHMARKS

agencies, public safety agencies, neighboring jurisdictions and federal public health officials.

PRIORITY AREA #3: EMERGENCY MEDICAL SERVICES (EMS)

Critical Benchmark #3: Emergency Medical Services

Enhance the statewide mutual aid plan to deploy EMS units in jurisdictions/regions they do not normally cover, in response to a mass casualty incident due to terrorism.

This plan must ensure the capability of providing EMS triage, transportation and patient tracking for at least 500 adult and pediatric patients per million population within 3 hours post-event. In addition, for each metropolitan area or other region of the state for which a 40 predictable high-risk scenario has been identified during a HVA, the plan must describe a mechanism for transporting patients from an incident scene or from local hospitals to healthcare facilities in adjacent jurisdictions, to temporary healthcare facilities within or near the affected jurisdiction, and to nearby airports or rail stations for transport to more distant healthcare facilities. All scenarios documented by the applicant under Critical Benchmark #2-1 should be addressed in mutual aid plans for EMS.

PRIORITY AREA #4: LINKAGES TO PUBLIC HEALTH DEPARTMENTS

Critical Benchmark #4-1: Hospital Laboratories

Implement a hospital laboratory program that is coordinated with currently funded CDC laboratory capacity efforts, and which provides rapid and effective hospital laboratory services in response to terrorism and other public health emergencies.

Critical Benchmark #4-2: Surveillance

Enhance the capability of rural and urban hospitals, clinics, emergency medical services systems and poison control centers to report syndromic and diagnostic data that is suggestive of terrorism or other highly infectious disease to their associated local and state health departments on a 24-hour-a-day, 7-day-a-week basis.

PRIORITY AREA #5: EDUCATION AND PREPAREDNESS TRAINING

Critical Benchmark #5: Education and Preparedness Training

Awardees will utilize competency-based education and training programs for adult and pediatric pre-hospital, hospital, and outpatient health care personnel responding to a terrorist incident or other public health emergency.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

GLOSSARY OF HPP PRIORITY AREAS AND CRITICAL BENCHMARKS

PRIORITY AREA #6: TERRORISM PREPAREDNESS EXERCISES

Critical Benchmark #6: Terrorism Preparedness Exercises

As part of the state or jurisdiction's bioterrorism hospital preparedness plan, functional exercises will be conducted during FY 2006 and should be based on the Awardee HVA. These drills should involve several state agencies and implement the Incident Command Structure (ICS). To the extent possible, members of the public should be invited to participate. These exercises/drills should encompass, if possible, at least one biological agent. The inclusion of scenarios involving radiological and chemical agents as well as explosives may be included as part of the exercises/drills.

**COUNTY OF SANTA CLARA
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
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CONTRACTOR'S RESPONSE LETTER

Administration
976 Lenzen Avenue, Second Floor | San Jose, CA 95126
408.792.5040 | 408.792.5041fax
www.sccphd.org

Public Health Department
Santa Clara Valley Health & Hospital System



June 3, 2009

Edmund Yee
DHCS | State of California
Audits Section – Richmond
850 Marina Bay Parkway
Building P, 2nd Floor, MS 2104
Richmond, CA 94804-6403

Dear Mr. Yee,

Thank you for sending a summary of findings for the Santa Clara County Public Health Department Hospital Preparedness Program FY 05/06 grant audit. The purpose of this letter is to contest the audit findings referenced in Section I. Executive Summary of Findings, Grants Compliance, Item 3, which states, "Our review disclosed redirection of funds from critical benchmarks to another without prior approval as required under the grant. Additionally, CDPH direct-purchased equipment and supplies expenditures exceeded the base funding budget for the line item. Redirection of funds from critical benchmarks to other critical benchmarks was subsequently requested by the County and approved by the EPO on March 3, 2009."

As indicated above, the California Department of Public Health (CDPH) made purchases in excess of the approved budget line item. This action, solely on the part of CDPH, created the need for a budget revision which was not communicated to Santa Clara County (the County). CDPH should have instructed the County to submit a budget revision within the contract period and prior to requesting an invoice revision. Further, the County contends that an audit exception is unwarranted since the County was not made aware of the over expenditures made by CDPH, the County could not have known that a budget revision was necessary.

The invoice submitted by the County to EPO on October 18, 2007 was in compliance with the Health Resources and Services Administration (HRSA) National Bioterrorism Hospital Preparedness Program Local Funding Agreement, Exhibit B, Budget Detail and Payment Provisions, Section 6, Amounts Payable and Section 8, Allowable Line Item Shifts. These shifts were allowable since the overage in one area of benchmark 2-2 was off set within the same benchmark in another area.

On October 23, 2007, the County submitted a revised invoice based on EPO guidance. Per EPO instructions, the County was to include CDPH direct purchases, which resulted in an increase in the administrative fee. It was at this time that the County was made aware of the over expenditures for the CDPH direct purchases. Once the County's invoice was revised and submitted, EPO provided approval and payment without any further directives to the County to complete a budget revision for contractual compliance.

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The need to revise the budget was discovered during the audit process. On February 26, 2009, the County communicated with EPO's Local Management Unit Analyst who stated, "In this particular case, Santa Clara had no control over the direct purchases being higher than the approved budget. However, per our phone conversation, if the auditors are requiring an approved budget, Santa Clara will need to submit a budget revision request, showing the increases on the direct purchases and the line items that are decreased to make up the difference." A budget revision was subsequently submitted and approved by EPO on March 3, 2009.

The County respectfully requests that the facts provided in this letter be included in the audit Summary of Findings. Thank you for your time and consideration. Should you have any questions or need additional information, please do not hesitate to contact me at 408.792.5078 or Rocio.Luna@hhs.sccgov.org.

Sincerely,



Rocio Luna, MPH
Division Manager
Public Health Planning & Preparedness
Santa Clara County Public Health Department