

**REPORT
ON THE
LIMITED AUDIT**

**COUNTY OF STANISLAUS
HEALTH SERVICES AGENCY
MODESTO, 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

April 18, 2011

Carol Dunbar
Chief Financial Officer
Stanislaus County Health Services Agency
820 Scenic Drive
Modesto, CA 95350-6194

Dear Ms. Dunbar:

The claims for expenditures for services provided by County of Stanislaus Health Services Agency 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 audited 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 audit included such tests of the accounting records and other audit procedures, as we considered necessary under the circumstances.

The financial statements of County of Stanislaus for the year ending June 30, 2006, were examined by other auditors whose report dated September 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.

The exit conference was held on August 16, 2010 at which time the results of the engagement were discussed.

This Audit Report includes the:

1. Executive Summary of Findings
2. Contract/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:

Richard Martin
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 Richard Martin, Contract Manager, Planning and Policy Unit, Emergency Preparedness Office at (916) 445-2103.

Original Signed by

Louise Wong, Chief
Audits Section – Richmond
Financial Audits Branch

Certified

cc: Betsey Lyman
Deputy Director

Susan Fanelli
Assistant Deputy Director

Emergency Preparedness Office
California Department of Public Health
1615 Capitol Avenue, Suite 73.373
P.O. Box 997413, MS 7002
Sacramento, CA 95899-7413

Richard Martin
Contract Manager
Planning and Policy Unit

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HOSPITAL PREPAREDNESS PROGRAM
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FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
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I. EXECUTIVE SUMMARY OF FINDINGS

The following information is a summary of our findings:

CONTRACT/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 the Emergency Preparedness Office (EPO). (See Section IV.A)
2. The County requested a total of \$406,656 of federal funds, which was fully expended during the grant period. (See Section IV.B)
3. Our review disclosed redirection of funds from critical benchmarks to another without prior approval as required under the grant agreement. Due to the audit findings, the County subsequently requested and received approval from EPO on July 16, 2009 for a budget revision. (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 did not disclose any material exceptions other than the redirection of funds from critical benchmarks to another as noted above. (See Section V)

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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 Stanislaus Health Services Agency (HSA) is a local governmental agency, which is a part of the County of Stanislaus government. The Health Services Agency (HSA) consists of a network of outpatient medical primary care clinics and services, and the Public Health Services Division.

The HSA serves close to 500,000 patients and community residents each year.

The County of Stanislaus (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 LOCATIONS

The County of Stanislaus Health Services Agency administrative offices are located at 820 Scenic Drive, Modesto, CA 95350.

Six primary care medical offices are located throughout Stanislaus County, in Modesto, Turlock, Ceres, and Hughson.

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D. FUNDING SOURCES

The following is a summary of the County of Stanislaus' expenditures of federal awards for the fiscal year ended June 30, 2006.

| | <u>Expenditures</u> |
|--|----------------------|
| U.S. Department of Health and Human Services | \$119,586,438 |
| U.S. Department of Agriculture | 51,904,458 |
| U.S. Department of Labor | 9,438,540 |
| U.S. Office of National Drug Control Policies | 3,170,225 |
| U.S. Department of Housing and Urban Development | 2,390,139 |
| U.S. Department of Transportation | 1,799,410 |
| U.S. Department of Justice | 433,664 |
| U.S. Department of Education | 114,981 |
| U.S. Environmental Protection Agency | 94,119 |
| Total Expenditures of Federal Awards | <u>\$188,931,974</u> |

Public Health Emergency Preparedness Grant Funding

Hospital Preparedness Program (HPP) local funding awarded for the project period, September 1, 2005 through August 31, 2006, totaled \$406,656. HPP expenditures are included as part of U.S. Department of Health and Human Services expenditures line above.

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.)

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The County of Stanislaus 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 Adults 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

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 |
| CDPH | California Department of Public Health |
| CDHS | California Department of Health Services (formerly CDHS) |
| EPO | Emergency Preparedness Office (California Department of Public Health Program Office) |
| HIPAA | Health Insurance Portability and Accountability Act |
| HPP | Hospital Preparedness Program (formerly HRSA) |

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ABBREVIATIONS – Continued from previous page

| | |
|------|--|
| HRSA | Health Resources and Services Administration |
| HVA | Hazards Vulnerability Analysis |
| OMB | U.S. Office of Management and Budget |

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III. SCOPE OF AUDIT

The Financial Audits Section's review of County of Stanislaus (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.

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IV. CONTRACT/GRANT COMPLIANCE

The examination included a review to determine if the County conducted the Hospital Preparedness Program (HPP) 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 County requested a total of \$406,656 of federal funds, which was fully expended during the grant period. 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 agreement. Unspent funds related to Critical Benchmark (CBM) # 2-10: Communication and Information Technology, CBM # 5: Education and Preparedness Training, and CBM # 6: Terrorism Preparedness Exercises were redirected to CBM # 2-1: Bed Capacity, CBM # 2-5: Pharmaceutical Cache, CBM # 2-6: Personal Protective Equipment, and CBM # 2-7: Decontamination. The redirection of funds from critical benchmarks to other critical benchmarks were related to unspent funds for

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Contractuals, Non-CDPH-Purchased Equipment and Supplies, and Administrative items being shifted to the CDPH-Purchased Equipment and Supplies line item. (See Schedule 1C for comparison of HPP budget and expenditures by critical benchmarks prior to redirection approval by EPO.)

Based on this audit finding, the County subsequently requested and received approval for a budget revision from EPO on July 16, 2009.

Recommendation:

The County should obtain and document prior approval from the EPO to comply with the fund redirection requirement as outlined in Exhibit B.8 of the grant agreement.

D. SUPLANTING 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. (See Section II.D for a summary of federal awards expenditures for the fiscal year ended June 30, 2006.)

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 28, 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

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Medical Assistance Program (CFDA number 93.778); Temporary Assistance for Needy Families (CFDA number 93.558); and Adoption Assistance (CFDA number 93.659). No exceptions were disclosed in the Single Audit Reports regarding the Hospital Preparedness Program (CFDA number 93.889).

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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.

A. Subcontractor (Contractual) - \$44,729

The County's revised budget requested a total of \$44,729 associated with Critical Benchmark (CBM) # 5: Education and Preparedness Training to reimburse 12 hospitals and clinics for salary, travel, registration, and accommodations related to training. Our review of all subcontractor expenditures totaling \$44,729 did not disclose any material exceptions.

B. CDPH-Purchased Equipment and Supplies - \$106,794

The County's revised budget requested \$106,794 for equipment and supplies which were to be directly purchased by CDPH and delivered to the entities named in the County's approved plan.

Of the total expenditures of \$106,794, \$66,128 were for equipment and supplies purchased from the State selected vendor (Grainger). The Grainger expenditures were associated with CBM # 2: Surge Capacity for items such as evacuation device, Hospital Incident Command System (HICS) vests, hazardous-material boots, latex gloves, respirators, coveralls, patient belonging bags, traffic cones, generator, plastic folding barricade, mega-phone, trailer with shelving, flatbed cart, yellow caution tape, bio-hazard bags, satellite phones, and generators for vaccine refrigerators. In general, the County sent correspondence to the various facilities to request confirmation that Grainger equipment and supplies were received.

The remaining part of CDPH direct purchased equipment and supplies expenditures were for the pharmaceutical cache, which the County contributed \$40,666 to CDPH's regional cache system.

C. Non-CDPH-Purchased Equipment and Supplies - \$158,108

The County's revised budget requested a total of \$158,108 for non-CDPH-purchased equipment and supplies associated with CBM # 2: Surge Capacity, CBM # 5: Education and Preparedness Training, and CBM # 6: Terrorism Preparedness Exercises for items such as disaster equipment and supplies, and training and exercise equipment and supplies. The County claimed expenditures totaling \$158,108 on this line item. Our review of all county purchased

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equipment and supplies expenditures did not disclose any material exceptions.

D. Personnel (Implementation) Costs - \$50,000

The County's revised budget requested a total of \$50,000 for a HPP Coordinator to plan, develop and implement the Priority Areas and CBM # 2: Surge Capacity, CBM # 5: Education and Preparedness Training, and CBM # 6: Terrorism Preparedness Exercises. The County claimed salaries and benefits expenses for a staff service coordinator, accountant, and manager up to the grant budget amount of \$50,000. Our review of the County's payroll records and general ledger did not disclose any material exceptions.

E. Administrative Costs - \$47,025

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". The grant agreement budgeted up to 15% as the Local Entity Administrative Fee. The County's revised budget requested \$47,025 for the administrative fees of which the same amount was claimed by the County.

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.

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VI. SYSTEMS AND PROCEDURES

The management of the County of Stanislaus 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'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 program reports.

Further, the CPA's Annual Financial Report (AFR) of the County of Stanislaus disclosed no material weaknesses related to the overall internal control structure.

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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 1C.

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VIII. CONTRACTOR'S RESPONSE TO AUDIT FINDINGS

The audit findings were discussed at the exit conference on August 16, 2010. 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.

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IX. PROGRAM'S RESPONSE TO AUDIT FINDINGS

The Local Management Unit within Emergency Preparedness Office (EPO) has no further comments or response to the audit findings.

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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 | | \$0 | | \$0 |
| 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 | | \$0 | | \$0 |
| G. Critical Benchmark 5, Education and Preparedness Training | | \$44,729 | | \$44,729 |
| H. Critical Benchmark 6, Terrorism Preparedness Exercises | | \$0 | | \$0 |
| Total Contractual | | \$44,729 | | \$44,729 |
| 2. CDPH-Purchased Equipment and Supplies | | | | |
| A. Critical Benchmark 2-1, Bed Capacity | | \$11,759 | | \$11,759 |
| B. Critical Benchmark 2-2, Isolation Capacity | | \$0 | | \$0 |
| C. Critical Benchmark 2-5, Pharmaceutical Caches | | \$41,924 | | \$41,924 |
| D. Critical Benchmark 2-6, Personal Protective Equipment | | \$1,487 | | \$1,487 |
| E. Critical Benchmark 2-7, Decontamination | | \$31,990 | | \$31,990 |
| F. Critical Benchmark 2-10, Communication and Information Technology | | \$19,634 | | \$19,634 |
| 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 | | \$106,794 | | \$106,794 |
| 3. Non-CDPH Purchased Equipment And Supplies | | | | |
| A. Critical Benchmark 2-1, Bed Capacity | | \$10,063 | | \$10,063 |
| B. Critical Benchmark 2-2, Isolation Capacity | | \$0 | | \$0 |
| C. Critical Benchmark 2-5, Pharmaceutical Caches | | \$4,204 | | \$4,204 |
| D. Critical Benchmark 2-6, Personal Protective Equipment | | \$0 | | \$0 |
| E. Critical Benchmark 2-7, Decontamination | | \$3,849 | | \$3,849 |
| F. Critical Benchmark 2-10, Communication and Information Technology | | \$138,487 | | \$138,487 |
| G. Critical Benchmark 5, Education and Preparedness Training | | \$1,505 | | \$1,505 |
| H. Critical Benchmark 6, Terrorism Preparedness Exercises | | \$0 | | \$0 |
| Total Non-CDPH Purchased Equipment And Supplies | | \$158,108 | | \$158,108 |

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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 | | \$8,333 | | \$8,333 |
| 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 | | \$8,333 | | \$8,333 |
| E. Critical Benchmark 2-7, Decontamination | | \$8,333 | | \$8,333 |
| F. Critical Benchmark 2-10, Communication and Information Technology | | \$8,333 | | \$8,333 |
| G. Critical Benchmark 5, Education and Preparedness Training | | \$8,334 | | \$8,334 |
| H. Critical Benchmark 6, Terrorism Preparedness Exercises | | \$8,334 | | \$8,334 |
| Total Personnel (Implementation) | | \$50,000 | | \$50,000 |
| 5. Administrative Costs (Not To Exceed 15%) | | | | |
| A. Critical Benchmark 2-1, Bed Capacity | | \$4,523 | | \$4,523 |
| 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 | | \$1,473 | | \$1,473 |
| E. Critical Benchmark 2-7, Decontamination | | \$6,626 | | \$6,626 |
| F. Critical Benchmark 2-10, Communication and Information Technology | | \$24,968 | | \$24,968 |
| G. Critical Benchmark 5, Education and Preparedness Training | | \$8,185 | | \$8,185 |
| H. Critical Benchmark 6, Terrorism Preparedness Exercises | | \$1,250 | | \$1,250 |
| Total Administrative Costs | | \$47,025 | | \$47,025 |
| GRAND TOTAL | | \$406,656 | | \$406,656 |

**COUNTY OF STANISLAUS
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 Budget Revision 2* | 2005/2007 Expenditures | Total Unspent Funds |
|--|--------------------------------|-----------------------------------|---------------------------|---------------------------|
| 1. Contractual | | | | |
| A. Critical Benchmark 2-1, Bed Capacity | \$0 | \$0 | \$0 | \$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 | \$0 | \$0 | \$0 | \$0 |
| G. Critical Benchmark 5, Education and Preparedness Training | \$48,000 | \$44,729 | \$44,729 | \$0 |
| H. Critical Benchmark 6, Terrorism Preparedness Exercises | \$0 | \$0 | \$0 | \$0 |
| Total Contractual | \$48,000 | \$44,729 | \$44,729 | \$0 |
| 2. CDPH-Purchased Equipment and Supplies | | | | |
| A. Critical Benchmark 2-1, Bed Capacity | \$0 | \$11,759 | \$11,759 | \$0 |
| B. Critical Benchmark 2-2, Isolation Capacity | \$0 | \$0 | \$0 | \$0 |
| C. Critical Benchmark 2-5, Pharmaceutical Caches | \$40,666 | \$41,924 | \$41,924 | \$0 |
| D. Critical Benchmark 2-6, Personal Protective Equipment | \$2,882 | \$1,487 | \$1,487 | \$0 |
| E. Critical Benchmark 2-7, Decontamination | \$19,885 | \$31,990 | \$31,990 | \$0 |
| F. Critical Benchmark 2-10, Communication and Information Technology | \$0 | \$19,634 | \$19,634 | \$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 | \$63,433 | \$106,794 | \$106,794 | \$0 |
| 3. Non-CDPH Purchased Equipment And Supplies | | | | |
| A. Critical Benchmark 2-1, Bed Capacity | \$936 | \$10,063 | \$10,063 | \$0 |
| B. Critical Benchmark 2-2, Isolation Capacity | \$0 | \$0 | \$0 | \$0 |
| C. Critical Benchmark 2-5, Pharmaceutical Caches | \$0 | \$4,204 | \$4,204 | \$0 |
| D. Critical Benchmark 2-6, Personal Protective Equipment | \$8,790 | \$0 | \$0 | \$0 |
| E. Critical Benchmark 2-7, Decontamination | \$0 | \$3,849 | \$3,849 | \$0 |
| F. Critical Benchmark 2-10, Communication and Information Technology | \$176,255 | \$138,487 | \$138,487 | \$0 |
| G. Critical Benchmark 5, Education and Preparedness Training | \$1,505 | \$1,505 | \$1,505 | \$0 |
| H. Critical Benchmark 6, Terrorism Preparedness Exercises | \$10,000 | \$0 | \$0 | \$0 |
| Total Non-CDPH Purchased Equipment And Supplies | \$197,486 | \$158,108 | \$158,108 | \$0 |

**COUNTY OF STANISLAUS
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 Budget Revision 2* | 2005/2007 Expenditures | Total Unspent Funds |
|---|--------------------------------|-----------------------------------|---------------------------|---------------------------|
| 4. Personnel (Implementation) | | | | |
| A. Critical Benchmark 2-1, Bed Capacity | \$8,333 | \$8,333 | \$8,333 | \$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 | \$8,333 | \$8,333 | \$8,333 | \$0 |
| E. Critical Benchmark 2-7, Decontamination | \$8,333 | \$8,333 | \$8,333 | \$0 |
| F. Critical Benchmark 2-10, Communication and Information Technology | \$8,333 | \$8,333 | \$8,333 | \$0 |
| G. Critical Benchmark 5, Education and Preparedness Training | \$8,334 | \$8,334 | \$8,334 | \$0 |
| H. Critical Benchmark 6, Terrorism Preparedness Exercises | \$8,334 | \$8,334 | \$8,334 | \$0 |
| Total Personnel (Implementation) | \$50,000 | \$50,000 | \$50,000 | \$0 |
| 5. Administrative Costs (Not To Exceed 15%) | | | | |
| A. Critical Benchmark 2-1, Bed Capacity | \$1,390 | \$4,523 | \$4,523 | \$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 | \$1,682 | \$1,473 | \$1,473 | \$0 |
| E. Critical Benchmark 2-7, Decontamination | \$5,551 | \$6,626 | \$6,626 | \$0 |
| F. Critical Benchmark 2-10, Communication and Information Technology | \$27,688 | \$24,968 | \$24,968 | \$0 |
| G. Critical Benchmark 5, Education and Preparedness Training | \$8,676 | \$8,185 | \$8,185 | \$0 |
| H. Critical Benchmark 6, Terrorism Preparedness Exercises | \$2,750 | \$1,250 | \$1,250 | \$0 |
| Total Administrative Costs | \$47,738 | \$47,025 | \$47,025 | \$0 |
| GRAND TOTAL | \$406,656 | \$406,656 | \$406,656 | \$0 |

* Revised budget approved by EPO on July 16, 2009.

**COUNTY OF STANISLAUS
HOSPITAL PREPAREDNESS PROGRAM
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EXTENDED THROUGH AUGUST 31, 2007**

REDIRECTION OF FUNDS BY CRITICAL BENCHMARKS

| | Approved Budget Revision 1* | Approved Budget Revision 2** | Difference |
|---|-----------------------------------|------------------------------------|-----------------|
| Critical Benchmark 2-1, Bed Capacity | | | |
| Contractual | \$0 | \$0 | \$0 |
| CDPH-Purchased Equipment and Supplies | \$0 | \$11,759 | \$11,759 |
| Non-CDPH Purchased Equipment And Supplies | \$936 | \$10,063 | \$9,127 |
| Personnel (Implementation) | \$8,333 | \$8,333 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$1,390 | \$4,523 | \$3,133 |
| TOTAL | \$10,659 | \$34,678 | \$24,019 |
| 25% cumulative threshold | \$2,665 | | |

| | Approved Budget Revision 1* | Approved Budget Revision 2** | Difference |
|---|-----------------------------------|------------------------------------|------------|
| Critical Benchmark 2-2, Isolation Capacity | | | |
| Contractual | \$0 | \$0 | \$0 |
| CDPH-Purchased Equipment and Supplies | \$0 | \$0 | \$0 |
| Non-CDPH Purchased Equipment And Supplies | \$0 | \$0 | \$0 |
| Personnel (Implementation) | \$0 | \$0 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$0 | \$0 | \$0 |
| TOTAL | \$0 | \$0 | \$0 |
| 25% cumulative threshold | \$0 | | |

| | Approved Budget Revision 1* | Approved Budget Revision 2** | Difference |
|--|-----------------------------------|------------------------------------|----------------|
| Critical Benchmark 2-5, Pharmaceutical Caches | | | |
| Contractual | \$0 | \$0 | \$0 |
| CDPH-Purchased Equipment and Supplies | \$40,666 | \$41,924 | \$1,258 |
| Non-CDPH Purchased Equipment And Supplies | \$0 | \$4,204 | \$4,204 |
| Personnel (Implementation) | \$0 | \$0 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$0 | \$0 | \$0 |
| TOTAL | \$40,666 | \$46,128 | \$5,462 |
| 25% cumulative threshold | \$10,167 | | |

* Budget Revision 1 approved by EPO on August 3, 2006.

** Budget Revision 2 approved by EPO on July 16, 2009.

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EXTENDED THROUGH AUGUST 31, 2007**

REDIRECTION OF FUNDS BY CRITICAL BENCHMARKS

| Critical Benchmark 2-6, Personal Protective Equipment | Approved Budget Revision 1* | Approved Budget Revision 2** | Difference |
|--|------------------------------------|-------------------------------------|-------------------|
| Contractual | \$0 | \$0 | \$0 |
| CDPH-Purchased Equipment and Supplies | \$1,324 | \$1,487 | \$163 |
| Non-CDPH Purchased Equipment And Supplies | \$0 | \$0 | \$0 |
| Personnel (Implementation) | \$8,333 | \$8,333 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$1,449 | \$1,473 | \$24 |
| TOTAL | \$11,106 | \$11,293 | \$187 |
| 25% cumulative threshold | \$2,777 | | |

| Critical Benchmark 2-7, Decontamination | Approved Budget Revision 1* | Approved Budget Revision 2** | Difference |
|--|------------------------------------|-------------------------------------|-------------------|
| Contractual | \$0 | \$0 | \$0 |
| CDPH-Purchased Equipment and Supplies | \$28,740 | \$31,990 | \$3,250 |
| Non-CDPH Purchased Equipment And Supplies | \$6,150 | \$3,849 | (\$2,301) |
| Personnel (Implementation) | \$8,333 | \$8,333 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$6,484 | \$6,626 | \$142 |
| TOTAL | \$49,707 | \$50,798 | \$1,091 |
| 25% cumulative threshold | \$12,427 | | |

| Critical Benchmark 2-10, Communication and Information Technology | Approved Budget Revision 1* | Approved Budget Revision 2** | Difference |
|--|------------------------------------|-------------------------------------|-------------------|
| Contractual | \$0 | \$0 | \$0 |
| CDPH-Purchased Equipment and Supplies | \$19,633 | \$19,634 | \$1 |
| Non-CDPH Purchased Equipment And Supplies | \$158,522 | \$138,487 | (\$20,035) |
| Personnel (Implementation) | \$8,333 | \$8,333 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$27,973 | \$24,968 | (\$3,005) |
| TOTAL | \$214,461 | \$191,422 | (\$23,039) |
| 25% cumulative threshold | \$53,615 | | |

* Budget Revision 1 approved by EPO on August 3, 2006.

** Budget Revision 2 approved by EPO on July 16, 2009.

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REDIRECTION OF FUNDS BY CRITICAL BENCHMARKS

| Critical Benchmark 5, Education and Preparedness Training | Approved Budget Revision 1* | Approved Budget Revision 2** | Difference |
|--|------------------------------------|-------------------------------------|-------------------|
| Contractual | \$48,000 | \$44,729 | (\$3,271) |
| CDPH-Purchased Equipment and Supplies | \$0 | \$0 | \$0 |
| Non-CDPH Purchased Equipment And Supplies | \$1,505 | \$1,505 | \$0 |
| Personnel (Implementation) | \$8,334 | \$8,334 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$8,676 | \$8,185 | (\$491) |
| TOTAL | \$66,515 | \$62,753 | (\$3,762) |
| 25% cumulative threshold | \$16,629 | | |

| Critical Benchmark 6, Terrorism Preparedness Exercises | Approved Budget Revision 1* | Approved Budget Revision 2** | Difference |
|---|------------------------------------|-------------------------------------|-------------------|
| Contractual | \$0 | \$0 | \$0 |
| CDPH-Purchased Equipment and Supplies | \$0 | \$0 | \$0 |
| Non-CDPH Purchased Equipment And Supplies | \$3,442 | \$0 | (\$3,442) |
| Personnel (Implementation) | \$8,334 | \$8,334 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$1,766 | \$1,250 | (\$516) |
| TOTAL | \$13,542 | \$9,584 | (\$3,958) |
| 25% cumulative threshold | \$3,386 | | |

| Budget Categories | Approved Budget Revision 1* | Approved Budget Revision 2** | Difference |
|---|------------------------------------|-------------------------------------|-------------------|
| Contractual | \$48,000 | \$44,729 | (\$3,271) |
| CDPH-Purchased Equipment and Supplies | \$90,363 | \$106,794 | \$16,431 |
| Non-CDPH Purchased Equipment And Supplies | \$170,555 | \$158,108 | (\$12,447) |
| Personnel (Implementation) | \$50,000 | \$50,000 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$47,738 | \$47,025 | (\$713) |
| TOTAL | \$406,656 | \$406,656 | \$0 |

* Budget Revision 1 approved by EPO on August 3, 2006.

** Budget Revision 2 approved by EPO on July 16, 2009.

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**COMPARISON OF BUDGET REVISION 1 AND EXPENDITURES BY CRITICAL
BENCHMARKS PRIOR TO BUDGET REVISION 2**

| Critical Benchmark 2-1, Bed Capacity | Approved Budget Revision 1* | 2005/2007 Expenditures | Unspent Funds |
|---|--|-----------------------------------|----------------------|
| Contractual | \$0 | \$0 | \$0 |
| CDPH-Purchased Equipment and Supplies | \$0 | \$11,759 | (\$11,759) |
| Non-CDPH Purchased Equipment And Supplies | \$936 | \$10,063 | (\$9,127) |
| Personnel (Implementation) | \$8,333 | \$8,333 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$1,390 | \$4,523 | (\$3,133) |
| TOTAL | \$10,659 | \$34,678 | (\$24,019) |
| 25% cumulative threshold | \$2,665 | | |

| Critical Benchmark 2-2, Isolation Capacity | Approved Budget Revision 1* | 2005/2007 Expenditures | Unspent Funds |
|---|--|-----------------------------------|----------------------|
| Contractual | \$0 | \$0 | \$0 |
| CDPH-Purchased Equipment and Supplies | \$0 | \$0 | \$0 |
| Non-CDPH Purchased Equipment And Supplies | \$0 | \$0 | \$0 |
| Personnel (Implementation) | \$0 | \$0 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$0 | \$0 | \$0 |
| TOTAL | \$0 | \$0 | \$0 |
| 25% cumulative threshold | \$0 | | |

| Critical Benchmark 2-5, Pharmaceutical Caches | Approved Budget Revision 1* | 2005/2007 Expenditures | Unspent Funds |
|--|--|-----------------------------------|----------------------|
| Contractual | \$0 | \$0 | \$0 |
| CDPH-Purchased Equipment and Supplies | \$40,666 | \$41,924 | (\$1,258) |
| Non-CDPH Purchased Equipment And Supplies | \$0 | \$4,204 | (\$4,204) |
| Personnel (Implementation) | \$0 | \$0 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$0 | \$0 | \$0 |
| TOTAL | \$40,666 | \$46,128 | (\$5,462) |
| 25% cumulative threshold | \$10,167 | | |

* Budget Revision 1 approved by EPO on August 3, 2006.

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**COMPARISON OF BUDGET REVISION 1 AND EXPENDITURES BY CRITICAL
BENCHMARKS PRIOR TO BUDGET REVISION 2**

| Critical Benchmark 2-6, Personal Protective Equipment | Approved Budget Revision 1* | 2005/2007 Expenditures | Unspent Funds |
|--|--|-----------------------------------|----------------------|
| Contractual | \$0 | \$0 | \$0 |
| CDPH-Purchased Equipment and Supplies | \$1,324 | \$1,487 | (\$163) |
| Non-CDPH Purchased Equipment And Supplies | \$0 | \$0 | \$0 |
| Personnel (Implementation) | \$8,333 | \$8,333 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$1,449 | \$1,473 | (\$24) |
| TOTAL | \$11,106 | \$11,293 | (\$187) |
| 25% cumulative threshold | \$2,777 | | |

| Critical Benchmark 2-7, Decontamination | Approved Budget Revision 1* | 2005/2007 Expenditures | Unspent Funds |
|--|--|-----------------------------------|----------------------|
| Contractual | \$0 | \$0 | \$0 |
| CDPH-Purchased Equipment and Supplies | \$28,740 | \$31,990 | (\$3,250) |
| Non-CDPH Purchased Equipment And Supplies | \$6,150 | \$3,849 | \$2,301 |
| Personnel (Implementation) | \$8,333 | \$8,333 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$6,484 | \$6,626 | (\$142) |
| TOTAL | \$49,707 | \$50,798 | (\$1,091) |
| 25% cumulative threshold | \$12,427 | | |

| Critical Benchmark 2-10, Communication and Information Technology | Approved Budget Revision 1* | 2005/2007 Expenditures | Unspent Funds |
|--|--|-----------------------------------|----------------------|
| Contractual | \$0 | \$0 | \$0 |
| CDPH-Purchased Equipment and Supplies | \$19,633 | \$19,634 | (\$1) |
| Non-CDPH Purchased Equipment And Supplies | \$158,522 | \$138,487 | \$20,035 |
| Personnel (Implementation) | \$8,333 | \$8,333 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$27,973 | \$24,968 | \$3,005 |
| TOTAL | \$214,461 | \$191,422 | \$23,039 |
| 25% cumulative threshold | \$53,615 | | |

* Budget Revision 1 approved by EPO on August 3, 2006.

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**COMPARISON OF BUDGET REVISION 1 AND EXPENDITURES BY CRITICAL
BENCHMARKS PRIOR TO BUDGET REVISION 2**

| Critical Benchmark 5, Education and Preparedness Training | Approved Budget Revision 1* | 2005/2007 Expenditures | Unspent Funds |
|--|--|-----------------------------------|----------------------|
| Contractual | \$48,000 | \$44,729 | \$3,271 |
| CDPH-Purchased Equipment and Supplies | \$0 | \$0 | \$0 |
| Non-CDPH Purchased Equipment And Supplies | \$1,505 | \$1,505 | \$0 |
| Personnel (Implementation) | \$8,334 | \$8,334 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$8,676 | \$8,185 | \$491 |
| TOTAL | \$66,515 | \$62,753 | \$3,762 |
| 25% cumulative threshold | \$16,629 | | |

| Critical Benchmark 6, Terrorism Preparedness Exercises | Approved Budget Revision 1* | 2005/2007 Expenditures | Unspent Funds |
|---|--|-----------------------------------|----------------------|
| Contractual | \$0 | \$0 | \$0 |
| CDPH-Purchased Equipment and Supplies | \$0 | \$0 | \$0 |
| Non-CDPH Purchased Equipment And Supplies | \$3,442 | \$0 | \$3,442 |
| Personnel (Implementation) | \$8,334 | \$8,334 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$1,766 | \$1,250 | \$516 |
| TOTAL | \$13,542 | \$9,584 | \$3,958 |
| 25% cumulative threshold | \$3,385 | | |

| Budget Categories | Approved Budget Revision 1* | 2005/2007 Expenditures | Unspent Funds |
|---|--|-----------------------------------|----------------------|
| Contractual | \$48,000 | \$44,729 | (\$3,271) |
| CDPH-Purchased Equipment and Supplies | \$90,363 | \$106,794 | \$16,431 |
| Non-CDPH Purchased Equipment And Supplies | \$170,555 | \$158,108 | (\$12,447) |
| Personnel (Implementation) | \$50,000 | \$50,000 | \$0 |
| Administrative Fee (Not To Exceed 15%) | \$47,738 | \$47,025 | (\$713) |
| TOTAL | \$406,656 | \$406,656 | \$0 |

* Budget Revision 1 approved by EPO on August 3, 2006.

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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.

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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

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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.

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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.



Mary Ann Lee
Managing Director

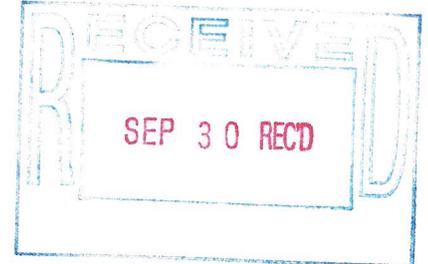
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September 15, 2010

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



RE: Stanislaus County 05-06 CDC & HPP Audit Findings

Dear Mr. Yee:

Please consider this our response for the audit findings based upon our exit conference and summary of findings from the 05-06 CDC and HPP grants.

CDC FINDINGS

“The County did not have prior approval for redirection of funds as required under the grant agreement. The County reported 05/06 grant expenditures for travel, equipment, and supplies which exceeded the original budget line item amounts. Due to the audit findings, the County subsequently requested and received approval from EPO on February 4, 2010 for redirection of funds via a budget revision.”

It is noted the State approved the expenditures subsequent to the expenditures. The department currently ensures that there is preapproval from the State for all redirection of funds for this program using the following procedures:

1. Budget revision request is made to the State in advance of actual purchase requisitions.
2. Budget revision approval is received from the State and appropriate adjustments are made within the department and State budget.
3. Actual purchasing occurs only after the budget revision approval has been received from the State.

“The County did not meet requirements to deposit the grant funds in a special local public health preparedness trust fund established exclusively for Emergency Preparedness. Additionally, the County’s trust fund report, dated November 13, 2006 did not accurately reflect the CDC funds received and interest income earned on an accrual basis of accounting for the 05/06 grant period.”

The department disagrees with this Audit finding for the following reasons:

In accordance with Governmental Accounting and Financial Reporting Standard 34 the County's Auditor-Controller sets up a discrete special revenue fund when required as detailed: "to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes".

The monies deposited in each special revenue fund are invested by the County Treasury Division as pooled investments with the other County Funds. Pooled interest earnings are deposited back to each respective fund based on the contributed amounts. The County Auditor-Controller's Office ensures that any and all interest earnings received from these pooled investment funds are appropriately and fairly distributed to all the participants and funds. All special revenue funds as well as any interest earning allocations are audited by the County Independent Auditor's as part of the County's Annual Financial Statement Audit process to verify and ensure existence and conformity with the appropriate Accounting standards, appropriate allocation rules, procedures and guidelines.

“Our review of personnel salaries and fringe benefits expenditures identified that the County included vacation, holiday, and sick pay as part of their fringe benefit percentage calculation for the fringe benefits line item; however, since vacation, holiday, and sick pay was already claimed against the salaries line item, the actual fringe benefits percentage was lower. This resulted in a difference of \$4,786 claimed in excess of the County’s supporting records. Audit adjustments were proposed to exclude \$4,786 reported as fringe benefits grant expenditures and to recover the overpayment.”

Fringe benefits were calculated based upon a percentage amount of salaries in the FY 05-06 grant. However, the department has changed this process and currently invoices the actual salaries and benefits cost for the employees versus using a percentage amount.

“Our review of travel expenditures identified several travel reimbursement exceptions which included the following: the County’s travel reimbursement per diem rates for meals were generally higher than the California Department of Personnel Administration (DPA) rates; the

County's policy allowed lunch to be claimed for travel less than 24 hours depending on travel timeframe, which would not be reimbursable under DPA rules for travel less than 24 hours; and no prior written approval from EPO for out-of-state travel to Washington DC.

Employee travel is reimbursed based upon the current County travel policies, procedures and guidelines. Any overages or other variances in the reimbursement amounts are adjusted to the DPA approved and allowable limit. Any excess or variance amounts are normally absorbed by the department's own funds as in-kind contributions toward the program.

HPP FINDINGS

"Our review disclosed redirection of funds from critical benchmarks to another without prior approval as required under the grant agreement. Due to the audit findings, the County subsequently requested and received approval from EPO on July 16, 2009 for a budget revision."

It is noted the State approved the expenditures subsequent to the expenditures. The department currently ensures that there is preapproval from the State for all redirection of funds for this program using the following procedures:

1. Budget revision request is made to the State in advance of actual purchase requisitions.
2. Budget revision approval is received from the State and appropriate adjustments are made within the department and State budget.
3. Actual purchasing occurs only after the budget revision approval has been received from the State.

We appreciate your consideration of this response to be reflected in the final report.

Sincerely,



Carol Dunbar

Chief Financial Officer

Cc: Vijay Chand

Laura Shinn

Renee Cartier