



COUNTY AUDIT DEPARTMENT

REPORT # 405

JUNE 13, 2022

An Audit of:

**MEDICAL EXAMINERS OFFICE
MANAGEMENT OF OUTSOURCED SERVICES**



Cindy Stuart

CLERK OF COURT & COMPTROLLER
HILLSBOROUGH COUNTY

The Honorable Kimberly Overman, Chair
The Honorable Harry Cohen
The Honorable Ken Hagan
The Honorable Pat Kemp
The Honorable Gwen Myers
The Honorable Mariella Smith
The Honorable Stacy R. White

June 13, 2022

Dear Commissioners:

The Audit Team performed an audit of the Medical Examiners Office Outsourced Services (**Audit Report # 405, dated June 13, 2022**). Responses to our audit recommendations have been provided by responsible managers.

The purpose of this Report is to furnish management with an independent, objective analysis, and information concerning the activities reviewed. It is not an appraisal or rating of management.

Although the Audit Team exercised due professional care in the performance of this audit, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud and/or employee abuse is the responsibility of management. Audit procedures alone, even when carried out with professional care, do not guarantee that fraud or abuse will be detected.

I appreciate this opportunity to be of service to the Board of County Commissioners. I am happy to address any questions that you may have or furnish additional information if desired.

Sincerely,

Heidi Pinner

Heidi Pinner, CIA CISA CFE CRMA
Chief Audit Executive, Clerk of Court & Comptroller

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EXECUTIVE SUMMARY

BACKGROUND INFORMATION

A Medical Examiner is a physician with particular expertise in investigating violent, sudden and unexpected, suspicious, or unattended deaths. According to Florida Statute 406.11, in the district in which the death occurred or where the body was found, the Medical Examiner must determine the cause of death when a person dies:

- As a result of criminal violence, accident, suicide, poison or suspicious circumstance.
- Suddenly, when in apparent good health or unattended by a physician/practitioner.
- In any prison or penal institution.
- By criminal abortion.
- By disease constituting a threat to public health.
- By disease, injury, or toxic agent resulting from employment.

The Hillsborough County Medical Examiner's office (the Office) contracts with third-party service providers to perform several key services that assist the Office with daily operations. These services include the transportation of deceased bodies, disposition of unclaimed bodies, lab testing for post-mortem analysis, specialized equipment maintenance, and other minor services.

OBJECTIVE

The objective of the audit is to determine whether or not management has implemented appropriate controls to manage key outsourced functions.

SCOPE

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. These Standards require that County Audit plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the audit comments and conclusions based on the audit objectives. County Audit believes that the evidence obtained provides this reasonable basis.

The audit scope included reviews of contracts and transactions related to outsourced services utilized by the Office. A review of the cost benefit of outsourcing body transport services and a comparison of best practices with other Medical Examiner offices throughout the State of Florida.

The audit experienced several delays and lengthy postponements due to vendor changes and the COVID19 pandemic. Ultimately the audit period covered dates throughout calendar year 2020 and 2021.

OVERALL EVALUATION & AUDIT OPINION

The Audit Team conducted interviews and observations and reviewed internal controls, standards and applicable laws governing the processes for Medical Examiner processes. For key outsourced processes, vendor contracts, invoices, statistical data, and Board documents were reviewed to determine whether or not management of these outsourced services were well controlled. A survey was also sent to all district Medical Examiner's throughout the State of Florida in an effort to gain an understanding of their processes and best practices.

PROCESS STRENGTHS

- **Vendors provide detail invoices for the services provided that can be used by staff to reconcile billings to internal support.**
- **No payments were processed for services not provided.**
- **Forms are received and recorded in a case management software system to document body transport times, identifying information and the identity of the transport driver.**

RISKS AND OPPORTUNITIES

- **There is no established procedure for verifying bid requirements prior to the issuing of an Invitation to Bid.**
- **There is no established procedure for monitoring and identifying contract expiration dates.**
- **There are no established policies or procedures for the monitoring and reviewing of vendors for compliance with contract terms and for verifying the accuracy of invoices.**
- **Multiple After-the-Fact payments for services did not go through the appropriate procurement process and had/contained inaccurate justifications in the supporting documentation.**
- **The department uses a legacy case management system that is updated/changed on an ad hoc basis. The department should look at the risks of its continued use and possible alternative systems.**

Full results of testing can be found on page 4.

OPINION

Control Maturity Levels



The overall control environment relative to the management of outsourced services is at a repeatable maturity level. This means that the processes are currently ad hoc and are not well-defined or documented. Management has an overall understanding of the processes currently being used; however, controls could be further strengthened and procedures/processes could be better defined by documenting them formally. Opportunities exist to enhance the management structure related to outsourced services, reviewing supporting documentation, and implementing monitoring activities to ensure compliance with contract terms.

The exit conference was held on May 6, 2022.

Other minor concerns not included in this Report were communicated to management and/or corrected during fieldwork.

AUDIT CONDUCTED BY

Heidi Pinner, CIA, CISA, CFE, CRMA, Chief Audit Executive
 Margaret Brown, CIA, Audit Manager
 Matt Demler, CIA, Senior Internal Auditor

AUDIT COMMENTS AND RECOMMENDATIONS

AUDIT COMMENT 1

Monitoring of outsourced services should be enhanced.

No payments were made for services not provided.

OPPORTUNITIES

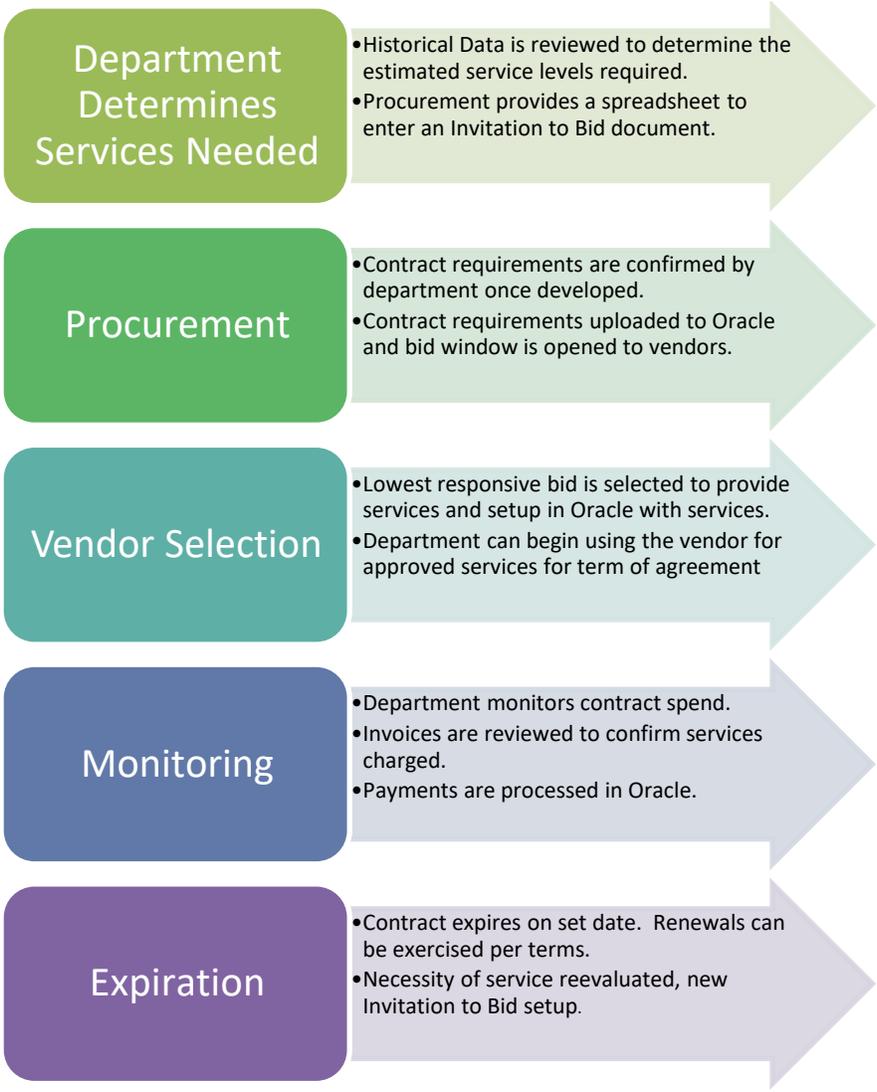
Implement policies and procedures for monitoring outsourced services.

Develop controls for verifying invoices prior to processing payment.

OBJECTIVE

- To determine whether or not:
- Procedures are in place for monitoring outsourced services.
 - Processes are in place to verify that invoices are complete and accurate prior to processing payments.
 - Department staff have procedures in place to document their review prior to processing payments.
 - Invoices are billed properly to avoid duplicate charges and sufficient information is included on invoice support.

OUTSOURCE SERVICE PROCESS



The Medical Examiner's office utilizes various processes to identify and determine the cause of death for individuals throughout the County, and various systems, technology, and services are used to assist in their day to day operations. Some of those services are outsourced to reduce costs and continue to provide the necessary services.

A list of vendors that provide outsource services to the Medical Examiner was provided to the Audit Team. From the list, vendors for key processes or with higher dollar contracts were selected for review. Invoices from the selected vendors were obtained to select a sample of transactions for review.

The Audit Team obtained the list of invoices for all transactions with vendors for the audit period of January 1, 2020 through June 15, 2021.

Ultimately four vendors were selected for review based on their contract amount. The Audit Team obtained a list of all invoices processed for each of the four vendors. In total 58 invoices were identified totaling \$797,988.12 in expenditures.

The Audit Team reviewed a sample of 23 invoices, totaling \$351,207.90.

INVOICE REVIEW AND TESTING RESULTS

The Audit Team reviewed a sample of invoices to determine whether or not they were processed in compliance with contract terms and only for approved services.

The Audit Team used the invoice dates as a benchmark to determine payment timeliness. The invoice date was used to calculate the days between receipt by the Medical Examiner's office and submission of the invoice for payment to County Finance because invoices did not include the date they were received by the Medical Examiner. Days were also reviewed to determine how long it took for payments to be processed once received by County Finance. From the review, the following observations were made:

- All invoices were paid the correct contractual price for the services billed.
- County Finance processed all payments in accordance with Florida's Prompt Payment Act.
- Two (2) of the 23 invoices were not provided to County Finance within 30 days of the invoice date.
- There is no indication included on the invoices identifying when they were received.
- Invoices are not annotated to identify that a review was completed.
- There were invoices that had duplicate charges and/or had false dispatches listed resulting in higher invoice payments.

CONTRACT MONITORING PROCESS AND TESTING RESULTS

The Audit Team identified what processes management had in place to verify that vendors are in compliance with the terms outlined in their specific agreements. Contracts were also reviewed

to gain insight into the expectations originally agreed upon between the County and the vendors. Invoices were reviewed for annotations and other evidence any review performed. During this testing, the following observations were made:

- At the time of testing, there were no processes or procedures in place for monitoring contracts. This includes reviewing invoices to ensure terms are being adhered to and monitoring available funds and expiration dates.
- During the Audit Teams testing, one of the selected contracts for review was expiring at the time of testing and was not intended to be renewed. Despite the pending expiration, no action had been taken to prepare a new Invitation to Bid. Delayed action on expiring agreements can result in a lapse of service or unauthorized purchases.

RECOMMENDATION

Management should consider reviewing existing procedures to make the review of invoices and the monitoring of contracts more robust. This could include the following:

- Documenting receipt of invoices and annotating any errors identified. Maintain original and final invoice support in OnBase.
- Provide training to staff and vendors to ensure duplicate or erroneous charges are not billed and to ensure only authorized individuals are requesting dispatches.
- Research potential ways to automate the review of invoices by utilizing spreadsheets and control numbers between County maintained records and details provided by vendors.
- Enhanced monitoring controls to ensure that any agreements nearing expiration or full spend are re-negotiated or rebid timely.

CLIENT RESPONSE: Concur

CORRECTIVE ACTION PLAN: *The Medical Examiner Department has refined the current method(s) used for monitoring outsourced services to locate and annotate any errors, duplicate or erroneous charges on invoices provided to the Department. At the same time, the Department has researched software tools to assist the Department with automating the tracking and review of invoices and contracts, to better monitor outsourced services. The Department will also provide training to both vendors and staff members involved in the process.*

TARGET COMPLETION DATE: 10/31/2022

AUDIT COMMENT 2

Initial details for Invitations to Bid should be verified and After-the-Fact payments should be avoided

OPPORTUNITIES



Implement policies and procedures to confirm terms of agreements are appropriate



Implement procedures to avoid After-the-Fact payments

OBJECTIVE

Based on observations made during the routine testing of invoices additional steps were taken to determine whether or not:

- Controls are in place to ensure contract terms are complete and accurate prior to initiating the Invitation to Bid.
- Whether or not observed After-the-Fact payments were appropriate and for a business purpose.
- Whether or not any contract modifications were appropriate.

BACKGROUND

Contract Modifications

Contract modifications may occur for various reasons including contract extensions, renewals, clerical errors and/or improper estimates. Any modification should be supported by a business need and appropriate documentation should be maintained to substantiate the request. After the appropriate information is documented, the request is put on the Board agenda for review and approval.

After-the-Fact Payments

After-the-Fact payments occur due to a vendor providing services for the County where a contract either is not in place, has expired, has run out of funding, or where the vendor has not been approved for use. When vendors are used that don't have contracts in place, the department must use the After-the-Fact procurement process to obtain management and Board approval for the vendor to be paid for the unauthorized purchase.

TESTING RESULTS

After the Fact Payments

For the period reviewed, the Audit Team identified five After-the-Fact payments that had been requested and approved by the Board with a combined value of \$56,607.30. These After-the-Fact payments were made due to agreements expiring or not having received approval to use the service provider prior to using them. For three of the five payments, the justifications to support the need to process the payments were also inaccurate based on additional information obtained by the Audit Team during the review.

- Three of the five payments stated that the Medical Doctors used were to support staff due to the increase in caseloads due to COVID – 19; however, upon further research, it was determined that these doctors were used prior to the start of the COVID – 19 pandemic.
- One of the five payments was the result of a resident doctor’s contract expiring prior to finishing their residency with the office.
- One of the five payments was for a Forensic Odontology Consultation that was performed by a doctor that did not have an agreement in place with the County.

Contract Modifications

A contract modification was also identified for the vendor Phoenix Services who provides body transport services. The modification was necessary because initial funding for the three year agreement was depleted within the first few months of the contract’s implementation. The modification increased the contract by \$737,000 from \$363,000 to \$1.1 million, a 300% increase. The modification included a justification which stated that higher than anticipated transports had occurred due to the COVID – 19 pandemic. However:

- The initial agreement provided for a total of 2,000 transports over the three year period (4/1/2020 – 3/31/2023). This would average out to approximately 667 transports per year.
- Historical data indicates that in 2010 there were 1,214 autopsies performed with a County population of 1.2 million residents.
- Hillsborough County’s population in 2021 was 1.5 million residents.
- The Audit Team determined that an error was made in data entered on the original Invitation to Bid which resulted in an underestimate of the total cost of the contract. If the original estimate was for 6,000 bodies over the three year period, at \$180 per transport, the contract would have been for \$1.08 million.

RECOMMENDATION

Management should develop, document, and implement procedures to:

- Ensure that information provided to Procurement Services for new contracts is complete and accurate prior to uploading to Oracle for vendors to submit their bids.
- Provide secondary review and approval of Invitation to Bids to verify the request for accuracy.
- To better monitor contract terms after implementation to ensure compliance with requirements outlined in the agreements. Additionally, provide training when non-compliance has been identified.
- Review current need for specialty doctors. Work with Procurement Services to implement a process to provide payment for services and reduce the need for After-the-Fact payments.

CLIENT RESPONSE: Concur

CORRECTIVE ACTION PLAN: *To ensure that the initial details for invitation to bids is verified and After-the-Fact payments are avoided, The Medical Example Department will improve communication amongst all parties involved with the invitation to bid process and when a purchase for specialty services is needed. The Department is also looking to task additional staff to be part of these services to better monitor terms of contracts and provide training where needed. The Department will research software tools that cab used to assist with these concerns.*

TARGET COMPLETION DATE: 10/31/2022

AUDIT COMMENT 3

Outsourcing transport services reduces County expenses but could also reduce the quality of services if not managed appropriately.

OPPORTUNITIES



Long term inflationary trends and rising wage expenses should be expected to produce cost increases in future agreements.



Cross training employees could justify increased payroll expenses and allow management to hold employees to County standards

OBJECTIVE

To determine if there is a benefit to bringing the body transport service back under the management of Medical Examiner staff. Operational and reputational risks exist related to this process including but not limited to:

- Improperly trained staff.
- Staff not understanding or meeting expectations of the County.
- Improper handling of deceased individuals and delayed transports.
- Lawsuits and/or other legal risks.
- Long term impacts of outsourcing services such as inflation or rising operating costs.

COST BENEFIT ANALYSIS AND RESULTS

The existing contract for the transportation of bodies to the Medical Examiner’s office includes requirements that the vendor must meet in order to be in compliance with the agreement. Other vendors previously used to transport bodies, have been unable to meet the requirements as outlined and resulted in subpar services. This included previous issues with timely pickups, staff shortages and improper handling of bodies. Specific requirements in the contract require the following:

- Ability to perform three simultaneous transports at a time, with two individuals per vehicle.
- Ability to operate 24 hours per day, 365 days a year.
- Dispatches authorized only by Medical Examiner Staff.
- Capacity to handle 2,000 body transports per year.

The Audit Team performed research to determine the approximate cost to bring this service back under the management of the Medical Examiner. This included determining the cost to hire new full time employees including their insurance and retirement benefits, expense to purchase transport vehicles, required accessories to perform the removal and researching the risk of potential lawsuits that could result from mishandling or unprofessional conduct.

TESTING RESULTS

\$363k



\$1.2M

Annual Outsource Cost vs. 18 New Full Time Employees

The current operating structure used by the Medical Examiner appears to provide the best cost benefit compared to hiring additional employees. Based on the current contract terms and expected transports per year, the cost to bring services back under the management of the Medical Examiner would be significantly higher than the current process in place. Although, if brought in house, staff could be cross trained to perform multiple duties for the job and offset some of the additional cost. A potential implication of outsourcing the transport service is the inability to monitor employee activity and maintain County standards and expectations, which could result in reputational damage and/or a higher risk of a lawsuit.

Contract Agreement Cost			
Type of Transport	Bodies Per Year	Cost	Totals
Inside County	2000	\$180.00	\$360,000.00
Outside County	10	\$300.00	\$3,000.00
One Year Cost			\$363,000.00
Three Year Cost			\$1,089,000.00

Employee Cost Calculation (Based on Contract Requirements)			
Shifts	Transfers Occurring Simultaneously	Workers Needed per Vehicle	Annual Employee Cost
3	3	2	\$66,047.70
One Year Cost			\$1,188,858.60
Three Year Cost			\$3,566,575.80

Startup Costs		
Cost	Vehicle Cost	Cost of 3
Toyota Sienna	\$31,640.00	\$94,920.00
Chrysler Pacifica	\$34,045.00	\$102,135.00
Kia Sedona	\$30,400.00	\$91,200.00
Cots - 2 / Car = 6 total	\$1,300.00	\$7,800.00
Body Bags - 3 Per Vehicle	\$180.00	\$540.00
Misc. Costs	\$2,000.00	\$2,000.00
Startup Cost		\$101,540.00 - \$112,475.00

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AUDIT COMMENT 4

The Medical Examiner's operations appear consistent with other offices

OPPORTUNITIES



There may be opportunities to improve on the case management system and reduce operating costs



Management should consider if legacy case management software should be upgraded

OBJECTIVE

To obtain input on practices currently in place at other Medical Examiner offices throughout the State of Florida. The survey was sent to determine:

- Whether or not the Medical Examiner is operating in a similar fashion as other offices.
- If there are areas of opportunity to improve operations and increase efficiency.
- What services are traditionally outsourced.
- If current case management software is comparable to other districts.

Excluding the Hillsborough County Medical Examiner, there were contacts available for 21 other Medical Examiner's Offices in the State of Florida (*source: Florida Department of Law Enforcement*) Thirteen (13) of the 21 offices replied to the survey for the eight subject matter areas listed below:

ARE ANY SERVICES OUSOURCED?

WHAT SERVICES ARE OUTSOURCED?

WHAT MONITORING IS CONDUCTED?

BUSINESS CONTINUITY / EMERGENCY PLANNING?

PARTNERSHIPS AND TRAINING?

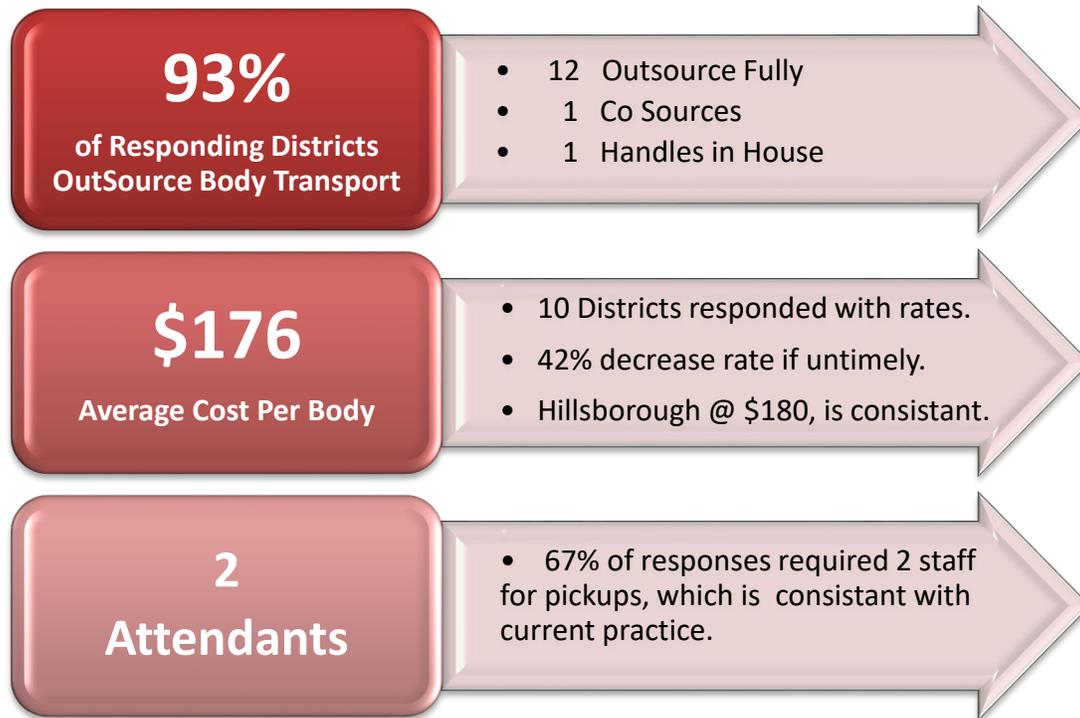
TERMS FOR CONTRACTED SERVICES?

TECHNOLOGY USED TO MANAGE CASELOADS?

UNIQUE PRACTICES?

Are body transport services managed internally or has the transport

- If outsourced, what rates are charged and what type of metrics must be met by the provider? Are rates decreased if minimum standards aren't met?
- Are there minimum staffing requirements related to how many transports could be taking place simultaneously or other key requirements that must be met?



OTHER NOTABLE VENDOR REQUIREMENTS IDENTIFIED

- Several respondents had provisions to require homicide victims be transported independently and directly.
- At least one district requires all transport staff to be bonded and background screened.

**What processes have been outsourced to third party vendors?
(e.g.: lab testing, toxicology, body transport, etc.)**

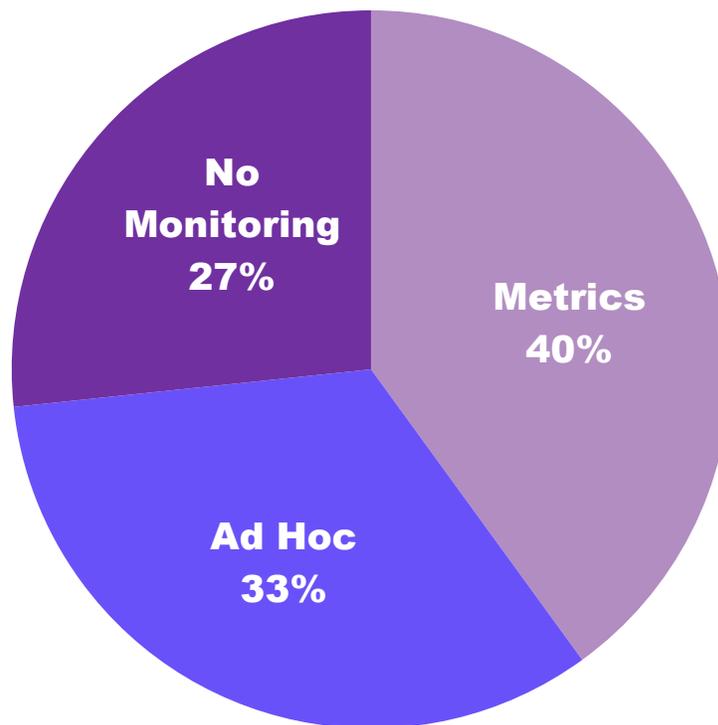
Survey responses indicated that several common services are outsourced by Medical Examiners offices throughout the state. The most common outsourced service is Body Transport.



Other outsourced services included Laundry, Biohazard Waste Removal, Microbiology, Anthropological Studies, Report Transcription, Slide Preparation and Unclaimed Bodies Disposition.

What monitoring is done of outsourced service providers?

- Monitoring practices seem to vary significantly between districts.



- **40%** of respondents indicated that they maintain and review some form of performance metric or statistics for outsourced vendors.
- **33%** of responses indicated that they use ad hoc observations or general operational interactions as a means to monitor service providers.
- **27%** of responses indicated that they have no specific monitoring practices in place.

Does your office have an emergency plan in place to deal with unforeseen circumstances?

(i.e. The sudden loss of a service provider or an event that would require additional transport/storage in order to ensure business continuity)



Several respondent's indicated they had some idea of what they would do to deal with unforeseen circumstances.

Only 36% had a formal emergency plan in place relative to outsourced services.

Does your office partner with any universities and offer resident training for future Medical Examiner staff?

Only **36 %** of the responding Medical Examiner’s offices have a program in place similar to the Hillsborough County / USF partnership.



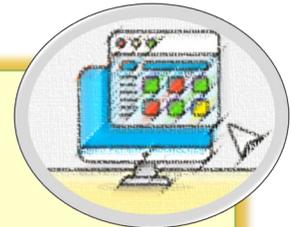
How long do outsourced contracts typically last? Are renewal clauses included to ensure future prices are guaranteed?

- The average length of outsourced services contracts appears to be 3 years.
- Many do not include renewal provisions.
- Several districts responded that contracts are not in place for their outsourced services.

District	Length	Renewal
4	3-10 years	Yes
5	No Contracts	NA
6	Variable	Variable
7	Variable	Variable
9	Variable	Variable
10	No Contracts	NA
12	3 years	Yes
13	2-5 years	No
16	No Contracts	NA
17	3- 5 years	Yes
19	3 years	No
20	Variable	No
22	1 year	Yes
23	Variable	Variable

What specialized software is currently used for case management or vendor monitoring?

Most districts responded that they do not use any special software program to manage cases or outsourced vendors. Those who have specialized software in use, all used a different program.



Vertiq
Justicetrax
MDILog
Median
MARS

Any practices that you feel are unique to your office that could possibly benefit other Medical Examiner offices throughout the state?

Most Medical Examiners offices indicated that they believe that practices are consistent throughout the state.

Does not transport all cases. Uses remote external exams where possible

Privatization of the Medical Examiner office.

Investigators
Onsite 24/7/365

Certified
Pathologists and
Examiners

National
Association of
Medical Examiners
Accreditation