

LOS ANGELES FIRE DEPARTMENT



BRIAN L. CUMMINGS
FIRE CHIEF

March 11, 2013

BOARD OF FIRE COMMISSIONERS
FILE NO. 13-041

TO: Board of Fire Commissioners

FROM: Brian L. Cummings, Fire Chief

SUBJECT: LOS ANGELES FIRE DEPARTMENT'S RESPONSE TO THE
CONTROLLER'S AUDIT ENTITLED "IMPACT OF AB678 ON THE CITY'S
CONTRACT WITH ADVANCED DATA PROCESSING, INC."

FINAL ACTION:	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved w/Corrections	<input type="checkbox"/> Withdrawn
	<input type="checkbox"/> Denied	<input type="checkbox"/> Received & Filed	<input type="checkbox"/> Other

Recommendations: That the Board:

1. Receive and File the Department's response (Attachment A) to the Controller's Audit Report entitled "Impact of AB678 on the City's Contract with Advanced Data Processing, Inc." dated February 20, 2013.

Summary: AB678 is a federal pass-thru State program designed to reimburse fire departments that provide ambulance transportation to Medi-Cal patients. Currently, these costs are absorbed by the Fire Department's General Fund. Through AB678, the City estimates to receive \$23.6 million this fiscal year for patient transports: \$13 million for January 31, 2010 to June 30, 2011 and \$10 million for July 1, 2011 to June 30, 2012. It is anticipated that annual reimbursements will amount to \$10 million.

On February 20, 2013, the Department received the Controller's Audit Report (Attachment B) entitled "Impact of AB678 on the City's Contract with Advanced Data Processing, Inc." The audit findings and recommendations were based on a review of AB678 information used to project estimated revenue from the program.

Fiscal Impact: There is no fiscal impact on the Department in implementing the recommendations in the audit.

Conclusion: The Department continues to work with the Mayor's Office, State and Federal agencies to ensure the funds will be received in Fiscal Year 2012-2013.

Board report prepared by Ngozi Mbamalu, Senior Management Analyst I, Administrative Services Bureau.

Attachments

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COMMISSIONERS**

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[HTTP://WWW.LAFD.ORG](http://www.lafd.org)

Honorable Wendy Greuel
Controller, City of Los Angeles
Room 300, City Hall East

Attention: Claire Bartels, Chief Deputy Controller

Dear Ms. Greuel:

Audit of the Impact of AB678 on the City's Contract with Advanced Data
Processing, Inc.

The Fire Department (LAFD) is in receipt of your audit report entitled "Impact of AB678 on the City's Contract with Advanced Data Processing, Inc." dated February 20, 2013. The Department is generally in agreement with your findings and recommendations. Attached is LAFD's response to the findings and recommendations.

The LAFD wishes to thank you for this review. The Department will cooperate fully with the implementation of the recommendations.

If you have any questions, please contact Salvador Martinez, Chief Management Analyst at (213) 978-3434.

Very truly yours,


BRIAN L. CUMMINGS
Fire Chief

Attachment

Report Title:
 Report Issuance Date:
 Department responsible for Implementation:
 Reported Status Date:

Audit of the Impact of AB678 on the City's Contract with Advanced Data Processing, Inc. (ADPI)
 Feb. 20, 2013
 Los Angeles Fire Department

Finding Number	Summary Description of Finding	Rec. No.	Recommendation	DEPARTMENT REPORTED INFORMATION		
				Current Status	Basis for Status	Target Date for Implementation
1	The current contract does not clearly indicate whether AB678 revenues should be included or excluded from net collections used to compute fees paid to ADPI.	1	The Mayor should direct LAFD to work with the City Attorney to amend the ADPI contract to specifically exclude AB678 revenues from net collections used to compute ADPI's compensation.	PI	The City Attorney has opined that the contract language would not entitle ADPI to receive any fees for AB678 receipts. ADPI fees are based on active accounts billed by ADPI. AB678 receipts are based on closed accounts; therefore, there are no services rendered by ADPI that would warrant payment of fees. The City Attorney will prepare a written opinion on this issue.	July 2013
			LAFD management should:			
2	LAFD improperly records ADPI fees as "revenue refunds" as opposed to contract expenses.	2	Establish a separate revenue source to track AB678 reimbursements.	PI	LAFD has created a new revenue source code "RSC 4453" to track AB678 reimbursements.	February 21 2013
		3	Budget and record ADPI fees as contract expenses, as opposed to revenue refunds.	I	ADPI fees have been recorded as "revenue refunds", rather than as a line item under the Contractual Services account, following meetings with the CAO and the Principal Deputy Controller (since retired) prior to implementation of the program. This was to recognize that fees were based on a percentage of revenues, which could be subject to fluctuation from year to year. Given the audit finding that recording as "revenue refunds" is inconsistent with proper accounting, we have discussed with the CAO the need to reflect the change beginning in the FY 2013-14 Budget, so that the projected fees to ADPI will be identified as a contract expense.	July 2013

3	The AB678 program implementation guidelines have not yet been finalized. Therefore, the City may not receive the \$10 million in AB678 revenues included in the FY 2012-13 budget during this fiscal year. In addition, an anticipated \$5 million in productivity gains may not materialize.	4	The CAO should assess the impact of LAFD not realizing up to \$15 million in revenue from additional AB678 revenues and from productivity gains programmed in the FY 2012-13 budget.	PI	LAFD has been working with the Mayor's Office to ensure that the \$10M from AB678 will be received this fiscal year. The Department is optimistic that the funds will be received this fiscal year. With regard to the anticipated \$5M in productivity improvements, that was not a projection provided by the LAFD. In fact, LAFD indicated during the 2012-13 budget process that productivity improvements would be very minimal, if any. Nonetheless, revenues from other sources have been slightly higher so the \$5M revenue shortfall will be offset, somewhat.	June 2013
4	The Department's AB678 revenue estimate schedule contains errors.	5	LAFD management should ensure that it maintains adequate support documentation for future ambulance revenue budgets.	I	LAFD has always maintained adequate documentation for ambulance revenue budgets. The number of transports for 2011 was based on LAFD's best estimate at the time the proposed budget was prepared in November 2011. Actual transport information became available in December 2011. Therefore, the Controller had the benefit of actual transports for 2011 in conducting this audit. Similarly, the Controller used the current 2012 Medical/Medicare reimbursement rates, the increase of which had not become effective at the time LAFD prepared its calculations for the proposed 2012-13 budget.	

I - Implemented
 PI - Partially Implemented or In Progress
 NI - Not Implemented
 D - Disagree



WENDY GREUEL
CONTROLLER

February 20, 2013

Honorable Antonio R. Villaraigosa, Mayor
Honorable Carmen Trutanich, City Attorney
Honorable Members of the Los Angeles City Council

Given the financial challenges that the City continues to face, we must continually search for alternative and ongoing revenue sources that do not require increasing taxes. Today, I am releasing an audit, related to ambulance billing services, that involves \$15 million in projected revenue and efficiencies, for this year's budget. My audit reveals that the receipt of these budgeted revenues may be in jeopardy this fiscal year.

My audit raises questions about the timeliness of revenue that the City is expecting due to a recent action taken by the California State legislature. This recent bill (AB-678) allows local municipalities to receive supplemental Medi-Cal reimbursements for Advanced Life Transport (ambulance) services. While the legislation has passed, implementation of the bill is still in process with guidelines and cost methodology under development. Once the plan is completed, it will then be subject to approval by the federal Center for Medicaid.

As a result of the delayed implementation of AB-678, the City may not receive the \$10 million budgeted this fiscal year. Further, the City has budgeted \$5 million in productivity gains as a result of contracting ambulance billing functions that may not be realized. Therefore, I urge the Mayor and Council to consider the impact if these revenues fail to materialize.

The Fire Department contracts with an outside entity to provide ambulance billing services. My audit found that the contract lacks clarity as to whether the City will have to pay additional fees to the contractor, purely as a result of the new legislation. Given the potential length of this contract of up to 21 years and the large amount of revenue at stake, these issues must be resolved immediately to ensure that the City receives the maximum benefit intended by this legislation. We cannot afford to delay amending the contract to specifically exclude AB-678 revenues from net collections used to calculate compensation. We must make sure that this contract protects the City from any future disputes.

Honorable Antonio R. Villaraigosa, Mayor
Honorable Carmen Trutanich, City Attorney
Honorable Members of the Los Angeles City Council
February 20, 2013
Page 2

Lastly, the City must ensure transparency and accountability of the recording and reporting of ambulance billing funds to ensure that we are collecting all of the revenue owed to our City.

Sincerely,

A handwritten signature in cursive script, appearing to read "Wendy Greuel", written in black ink.

WENDY GREUEL
City Controller



WENDY GREUEL
CONTROLLER

February 20, 2013

Brian Cummings, Fire Chief
Los Angeles Fire Department
Room 1800, City Hall East
200 North Main Street
Los Angeles, CA 90012


Dear Chief Cummings:

Enclosed is a report entitled "Audit of the Impact of AB 678 on the City's Contract with Advanced Data Processing, Inc." A draft of this report was provided to your Department on January 17, 2013. Comments provided by your Department at an exit conference held on January 31, 2013 were evaluated and considered prior to finalizing the report.

Please review the final report and advise the Controller's Office by March 20, 2013 of the actions planned and/or taken to implement the recommendations. An electronic template of the Audit's Findings and Recommendations can be provided to your staff to facilitate this process.

If you have any questions or comments, please contact me at (213) 978-7392.

Sincerely,


FARID SAFFAR, CPA
Director of Auditing

Enclosure

cc: Gaye Williams, Chief of Staff, Office of the Mayor
Romel Pascual, Deputy Mayor, Office of the Mayor
Eileen M. Decker, Deputy Mayor, Office of the Mayor
Miguel A. Santana, City Administrative Officer
Genethia Hudley-Hayes, President, Board of Fire Commissioners
Gerry F. Miller, Chief Legislative Analyst
June Lagmay, City Clerk
Independent City Auditors

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City of Los Angeles Office of the Controller

Audit of the Impact of AB 678 on the City's Contract with Advanced Data Processing, Inc.

February 20, 2013

Wendy Greuel
City Controller

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AUDIT OF THE IMPACT OF AB 678 ON THE CITY'S CONTRACT WITH ADVANCED DATA PROCESSING, INC.

The Controller's Auditing Division has completed a limited scope audit that assessed the impact of AB-678 legislation on the City's contract with Advanced Data Processing, Inc. (ADPI - also known as Intermedix). The primary objective of this audit was to determine whether the City has adequately considered the impact that AB-678 would have on the ADPI contract. This included determining whether there have been plans to modify the contract, if necessary, to ensure that ADPI would not be compensated additional fees as a result of the legislative change. We also reviewed budgeted AB-678 revenues for reasonableness.

SUMMARY OF AUDIT RESULTS

We found that the current contract does not clearly indicate whether AB-678 revenues should be included or excluded from net collections used to compute fees paid to ADPI. In order to adequately protect the City from any future disputes, the City's contract with ADPI should be amended to specifically exclude AB-678 revenues from net collections used to compute ADPI's fees.

In addition, we found that the Los Angeles Fire Department's (LAFD) estimated \$10 million in Fiscal Year (FY) 2012-13 AB-678 revenues appears reasonable. However, because the AB-678 program implementation guidelines have not yet been finalized, the City may not receive the \$10 million during this fiscal year. Furthermore, \$5 million in anticipated productivity gains from outsourced ambulance billing functions may not materialize. Since the \$15 million was programmed into the City's General Fund FY 2012-13 budget, we recommend that City officials evaluate the impact on the General Fund, and if necessary, identify alternative options to cover the shortfall should the \$15 million fail to materialize.

REVIEW OF REPORT

We provided a draft of this report to LAFD management on January 17, 2013 and considered their comments made at the January 31, 2013 exit conference meeting before finalizing this report. We would like to thank LAFD management and staff for their cooperation and assistance during the audit.

BACKGROUND

According to the California Professional Firefighters (CPF), an advocate organization for fire fighters in Sacramento, ambulance transports of Medi-Cal beneficiaries increased 19% from 2006 to 2009. Current Medi-Cal rates do not cover the operating costs of a typical ambulance transport, resulting in unreimbursed costs that are subsequently absorbed by local fire departments. For example, in 2011, the Los Angeles Fire Department (LAFD or the Department) estimated that it incurred approximately \$1,344 for each Advanced Life Support (ALS) transport service; however, the Medi-Cal program only reimbursed LAFD an average of \$133 per transport¹. Unlike other medical providers who may "opt out" of the Medi-Cal program, first responders are obligated by law to answer every call.

The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Medi-Cal beneficiaries are provided various health benefits including medical transportation, and existing law authorizes the California Department of Health Care Services (DHCS) to prescribe policies and regulations to carry out the program, including setting rates for payment of services.

In order to help local municipalities to recover some of their unreimbursed costs, in 2010, Assemblyman Richard Pan proposed a bill that would allow fire departments to submit to DHCS certified unpaid Medi-Cal ambulance transport expense claims that could then be submitted to the federal government for reimbursement.

In October 2011, the California legislature passed AB-678, the Medi-Cal supplemental provider reimbursement bill. This bill allows eligible emergency response providers to receive supplemental Medi-Cal reimbursement, in addition to the rate of payment that the provider would otherwise receive for providing ground emergency medical transportation services to Medi-Cal beneficiaries. The legislation provides that supplemental reimbursements would be based on the amount of federal financial participation (FFP) received for eligible certified public expenditures (CPEs) and that total reimbursements, including the supplemental payments, may not exceed actual costs.

The AB-678 program is open only to public agencies who directly perform the transport services and it will be administered by DHCS, with approval from the federal Centers for Medicare and Medicaid Services. The City anticipates that this legislation will result in millions of dollars in additional ambulance service revenues. In fact, LAFD's FY 2012-13 ambulance revenue budget of \$82 million included \$10 million in anticipated AB-678 revenues.

¹ Advanced Life Support (ALS) is defined by the National Fire Protection Association (NFPA) as "Emergency medical treatment beyond basic life support that provides for advanced airway management including intubation, advanced cardiac monitoring, defibrillation, establishment and maintenance of intravenous access, and drug therapy." If a transport service is provided, this service is billed as an ALS transport. If the patient does not require ALS, the transport is billed as a Basic Life Support (BLS) transport.

SCOPE AND METHODOLOGY

The scope of this audit was limited to examining whether the City's contract for emergency medical service billing and collection provides sufficient protection to ensure the City receives the full benefit of this legislative change, and whether the AB-678 revenue estimate that was programmed into the FY 2012-13 budget deliberations was reasonable. We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In conducting our audit, we interviewed LAFD fiscal staff assigned to work with DHCS officials and other jurisdictions to implement AB-678 provisions, as well as LAFD contract monitoring staff. We reviewed the City's contract with ADPI and supporting documentation used by LAFD to develop the approximate \$23.5 million in anticipated revenue from the AB-678 program for the period January 2010 through June 2012². The remainder of this report discusses our observations and related recommendations.

AUDIT FINDINGS AND RECOMMENDATIONS

Finding #1: The current contract does not clearly indicate whether AB-678 revenues should be included or excluded from net collections used to compute fees paid to ADPI.

In 2010, LAFD executed a contract with Advanced Data Processing, Inc. (ADPI - also known as Intermedix) to utilize electronic data to manage ambulance billings and the collection process. The contract is for a six-year term, with six options of three years each. ADPI is a billings and collections company with the ability to manage LAFD's emergency medical services billings and collections through an electronic billing and accounts receivable system. ADPI's system tracks and reports on each phase of the billing process.

ADPI is compensated based on up to 5.5% of net collections. Net collections is defined as the amount of money collected on a monthly basis, reduced or increased by refunds, check deposits with non-sufficient funds, and other applicable adjustments. LAFD believes AB-678 should have no impact on fees paid to ADPI, because AB-678 claims for reimbursement would be prepared in-house by Department staff and submitted directly to DHCS, subsequent to ADPI finalizing its direct billing and collection activities on these Medi-Cal accounts. Therefore, LAFD staff stated that ADPI would not be entitled to any portion of this revenue. LAFD also indicated that it had consulted with the City Attorney on this issue, but the City Attorney has not yet issued a formal opinion.

² Although LAFD included \$10 million in AB-678 reimbursements in FY 2012-13 ambulance revenues, LAFD estimated that a total of \$23.5 million in revenues could be realized by submitting retroactive claims for transport services provided from January 2010 to June 2012.

We attempted to follow up with the City Attorney on this matter; however, as of our fieldwork completion, the City Attorney has not issued a formal opinion.

In order to adequately protect the City from any future disputes, the City's contract with ADPI should be amended to specifically exclude AB-678 revenues from net collections used to compute ADPI fees.

Recommendation

- 1. The Mayor should direct LAFD to work with the City Attorney to amend the ADPI contract to specifically exclude AB-678 revenues from net collections used to compute ADPI's compensation.**

Finding #2: LAFD improperly records ADPI fees as "revenue refunds" as opposed to contract expenses.

We noted that LAFD currently pays ADPI fees directly from the revenue account, recording the vendor payment as "revenue refunds." LAFD stated that unlike other contractors where amounts due may be known in advance, ADPI's fees are not as easily predictable. Because ADPI's compensation is based on amounts collected, fees paid to ADPI fluctuate, making it difficult for them to accurately estimate contractual expenses for budgetary purposes. For example, LAFD indicated that, if the total amount due to ADPI during a fiscal year is significantly higher than the budget, it may be difficult for the Department to obtain funds to cover the shortfall.

LAFD's approach does not properly disclose the fees as contractor expenses. Revenue refunds are generally used to account for refunds and credits to customers. Recording contractual expenses as refunds is also inconsistent with proper accounting because it understates both the Department's actual revenues and expenses. For better transparency and accurate financial reporting, the ADPI fees should be budgeted and reported as contract expenses.

In addition, we also noted that LAFD budgets AB-678 revenues as part of the overall ambulance revenue. In order to properly account for and track this revenue source, the Department should establish a separate revenue source for AB-678 revenues within the General Fund.

Recommendations

LAFD management should:

- 2. Establish a separate revenue source to track AB-678 reimbursements.**
- 3. Budget and record ADPI fees as contract expenses, as opposed to revenue refunds.**

Finding #3: The AB-678 program implementation guidelines have not yet been finalized. Therefore, the City may not receive the \$10 million in AB-678 revenues included in the FY 2012-13 budget during this fiscal year. In addition, an anticipated \$5 million in productivity gains may not materialize.

LAFD stated that the legislation permits eligible claims to be submitted retroactively for transports provided since January 2010. As of January 2013, the implementation guidelines and cost methodology for submitting claims are still under development. Once finalized, they require approval by the federal Center for Medicaid before municipalities can begin to submit expenses for reimbursement. For these reasons, the timing for full implementation of this program is out of LAFD's control. Although LAFD indicated that it is in constant communications with State officials and that they are optimistic about the progress being made on getting the cost methodology approved, there is a reasonable possibility that the City may not receive any monies from this program during this fiscal year. Since the \$10 million anticipated from the program was programmed into the FY 2012-13 General Fund budget, the Council may need to find alternative solutions to cover the potential shortfall.

The FY 2012-13 ambulance revenue budget also includes \$5 million in productivity improvements from outsourcing the billing function to ADPI. However, LAFD was unable to provide their analysis in support of the anticipated gain. In addition, our audit disclosed that, in FY 2011-12, the Department realized increased ambulance collections of \$10 million. LAFD attributed most of the increase to an increase in some fees and from productivity gains from electronic billings. In the three years prior to contracting the billing functions, LAFD generated an average of \$57 million in collections. However, in FY 2011-12, the first full year after the functions were outsourced, the Department generated \$67.3 million³. To expect an additional \$5 million in productivity gains on top of the approximately \$10 million already realized may not be realistic. In fact, as of December 2012, halfway through the fiscal year, LAFD had only collected \$31.2 million. This would equate to an estimated \$65 million for the fiscal year, \$17 million less than the \$82 million noted in the approved budget.

Recommendation

- 4. The CAO should assess the impact of LAFD not realizing up to \$15 million in revenue from additional AB-678 revenues and from productivity gains programmed in the FY 2012-13 budget.**

³ The \$67.3 million is net of fees paid to ADPI.

Finding #4: The Department's AB-678 revenue estimate schedule contains errors.

During FY 2012-13 budget deliberations in early 2012, LAFD prepared revenue estimates for the AB-678 program. LAFD projected its FY 2012-13 \$10 million in additional AB-678 revenue estimate consistent with FY 2011-12 projections. The Department estimated \$23.5 million in retroactive claims for transports provided to Medi-Cal beneficiaries between January 2010 and June 2012. We reviewed the projections for reasonableness.

LAFD computed its revenue estimates by multiplying the number of transports provided to eligible Medi-Cal patients during the claim periods by the estimated supplemental rates to be paid per transport through the AB-678 program. The approach appears reasonable. However, we noted errors in both the number of transports and the rates used in the Department's estimate schedule, as discussed below.

Number of Transports – The number of transports indicated for 2011 is overstated. Based on a report provided by ADPI, the actual number of eligible transports provided to Medi-Cal beneficiaries in 2011 was 33,207, instead of the 36,000 number of eligible claims used in LAFD's estimate. While this error would have overstated the revenue projection, the impact was negated by the Department understating the rates used.

Rates - With respect to the rates used, LAFD staff stated that they expect the federal Center for Medicaid to cap reimbursements under AB-678 program at federal reimbursement rates for Medicare patients. Therefore, LAFD staff used the estimated differences between Medicare and Medi-Cal reimbursement rates as the additional supplement available from AB-678. Based on our review of the Assembly Committee on Health AB-678 Bill Analysis, LAFD's expectation about reimbursements being capped at Medicare rates is reasonable. However, our analyses show that the differences between current Medicare rates and Medi-Cal rates are higher than the rates used by LAFD in its calculation. For example, in 2012, these differences are \$326 for ALS transports and \$255 for BLS transports. These amounts are slightly higher than the \$300 for ALS and \$250 for BLS used by LAFD in its calculations. We determined that the effect of the two errors negate each other.

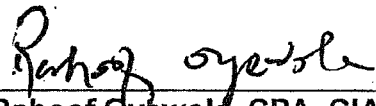
We also noted that LAFD included an allowance for collection agency fees. While ADPI should not receive any part of the City's AB-678 revenue; LAFD management stated this allowance was included as a contingency for any potential withholding made by DCHS to cover its administrative costs for the program. As the program and claims process is still under review by DCHS and the federal government, we consider this a reasonable conservative reduction to anticipated additional revenue.

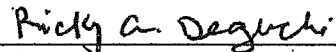
We concluded that LAFD's overall AB-678 revenue estimate appears reasonable. However, as previously noted, it is unknown as to when municipalities can begin to submit claims for reimbursements under this program; therefore, the revenue may not be realized this fiscal year.


Recommendation

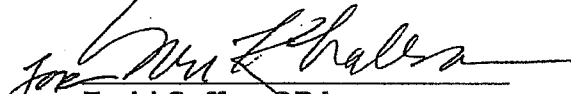
5. LAFD management should ensure that it maintains adequate support documentation for future ambulance revenue budgets.

Respectfully submitted,


Rahoof Oyewole, CPA, CIA, CISA
Internal Auditor IV


Ricky Deguchi, CPA, CIA, CISA
Chief Internal Auditor


Siri Khalsa, CPA
Deputy Director of Auditing


Farid Saffar, CPA
Director of Auditing

January 8, 2013

Appendix A

OFFICE OF THE CONTROLLER AUDIT OF THE IMPACT OF AB 678 ON THE CITY'S CONTRACT WITH ADVANCED DATA PROCESSING, INC.

Ranking of Recommendations

Finding Number	Observation	Ranking Code	Recommendations
1.	The current contract does not clearly indicate whether AB-678 revenues should be included or excluded from net collections used to compute fees paid to ADPI.	U	1. The Mayor should direct LAFD to work with the City Attorney to amend the ADPI contract to specifically exclude AB-678 revenues from net collections used to compute ADPI's compensation.
2.	LAFD improperly records ADPI fees as "revenue refunds" as opposed to contract expenses	N N	LAFD management should: 2. Establish a separate revenue source to track AB-678 reimbursements. 3. Budget and record ADPI fees as contract expenses, as opposed to revenue refunds.
3.	The AB-678 program implementation guidelines have not yet been finalized. Therefore, the City may not receive the \$10 million in AB-678 revenues included in the FY 2012-13 budget during this fiscal year. In addition, an anticipated \$5 million in productivity gains may not materialize.	U	4. The CAO should assess the impact of LAFD not realizing up to \$15 million in revenue from additional AB-678 revenues and from productivity gains programmed in the FY 2012-13 budget.
4.	The Department's AB-678 revenue estimate schedule contains errors.	N	5. LAFD management should ensure that it maintains adequate support documentation for future ambulance revenue budgets.

Description of Recommendation Ranking Codes

U- Urgent-The recommendation pertains to a serious or materially significant audit finding or control weakness. Due to the seriousness or significance of the matter, immediate management attention and appropriate corrective action is warranted.

N- Necessary- The recommendation pertains to a moderately significant or potentially serious audit finding or control weakness. Reasonably prompt corrective action should be taken by management to address the matter. The recommendation should be implemented within six months.

D- Desirable- The recommendation pertains to an audit finding or control weakness of relatively minor significance or concern. The timing of any corrective action is left to management's discretion.

N/A- Not Applicable