

# MARYLAND EMERGENCY MANAGEMENT AGENCY



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A Center for Preparedness Excellence

January 14, 2013

The Honorable Martin O'Malley  
Governor of Maryland  
State of Maryland Executive Department  
State House  
Annapolis MD 21401

*Re: William H. Amoss Fire, Rescue and Ambulance Fund for Year Ended June 30, 2011*

Dear Governor O'Malley:

The enclosed William H. Amoss Fund (**Amoss**) report is submitted by the Maryland Emergency Management Agency (MEMA) in accordance with the provisions of Section 8-105 of the Public Safety Article, Annotated Code of Maryland. This report provides information from each county, regarding the distribution and use of these funds, for the period beginning July 1, 2010 and ending June 30, 2011. The term "county" includes Baltimore City. The following is a summary of the results of this engagement:

- 100% of counties reported the expenditure and disposition of Amoss funds per Section 8-105 (a).
- 100% of counties provided adequate matching funds per Section 8-104 (b).
- 100% of counties expended or encumbered their Amoss allocation within two years of receipt from the State per Section 8-104 (d) (3) (i).
- 100% of the volunteer fire, rescue and ambulance companies tested maintained separate accounts for Amoss funds as required by Section 8-104 (d) (4).
- 100% of Amoss expenditures tested were made for purposes allowed by Section 8-102 (f).
- 79% of counties fully participated in the Ambulance Information System (AIS) as required by Section 8-103 (b) (7).
- 71% of counties fully participated in the Maryland Fire Incident Reporting System (MFIRS) as required by Section 8-103 (b) (7).
- 54% of counties met the maintenance of effort standard per Section 8-104 (a) (1) (ii).

Thank you for allowing us the opportunity to report this information to you. The Maryland Emergency Management Agency is pleased to administer the funding for this important program.

Sincerely,

Kenneth Mallett  
Executive Director

Cc: Department of Legislative Services

## **Purpose of Engagement**

We have performed an attestation engagement based upon "agreed upon procedures" in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The procedures used were based on the requirements specified in Title 8 of the Public Safety Article of the Annotated Code of Maryland. This statute delineates the purpose, administration and monitoring requirements of the Senator William H. Amoss Fire, Rescue, and Ambulance Award (Amoss fund). Our engagement was for the period beginning July 1, 2010 and ending June 30, 2011.

Section 8-105 (b) requires the Director of the Maryland Emergency Management Agency (MEMA) "to report to the Governor and General Assembly on the information provided by the jurisdictions on the distribution of money provided under this subtitle, including an assessment of the extent to which the purposes of this subtitle are being achieved."

Since the beginning of Fiscal Year 2009, all of the financial duties of MEMA, including the administration of the Amoss award, have been performed by their parent agency, the Maryland Military Department (DMIL).

The results of this engagement are found in the section below titled "Findings and Recommendations".

## **Current Status of Findings from Preceding Engagement**

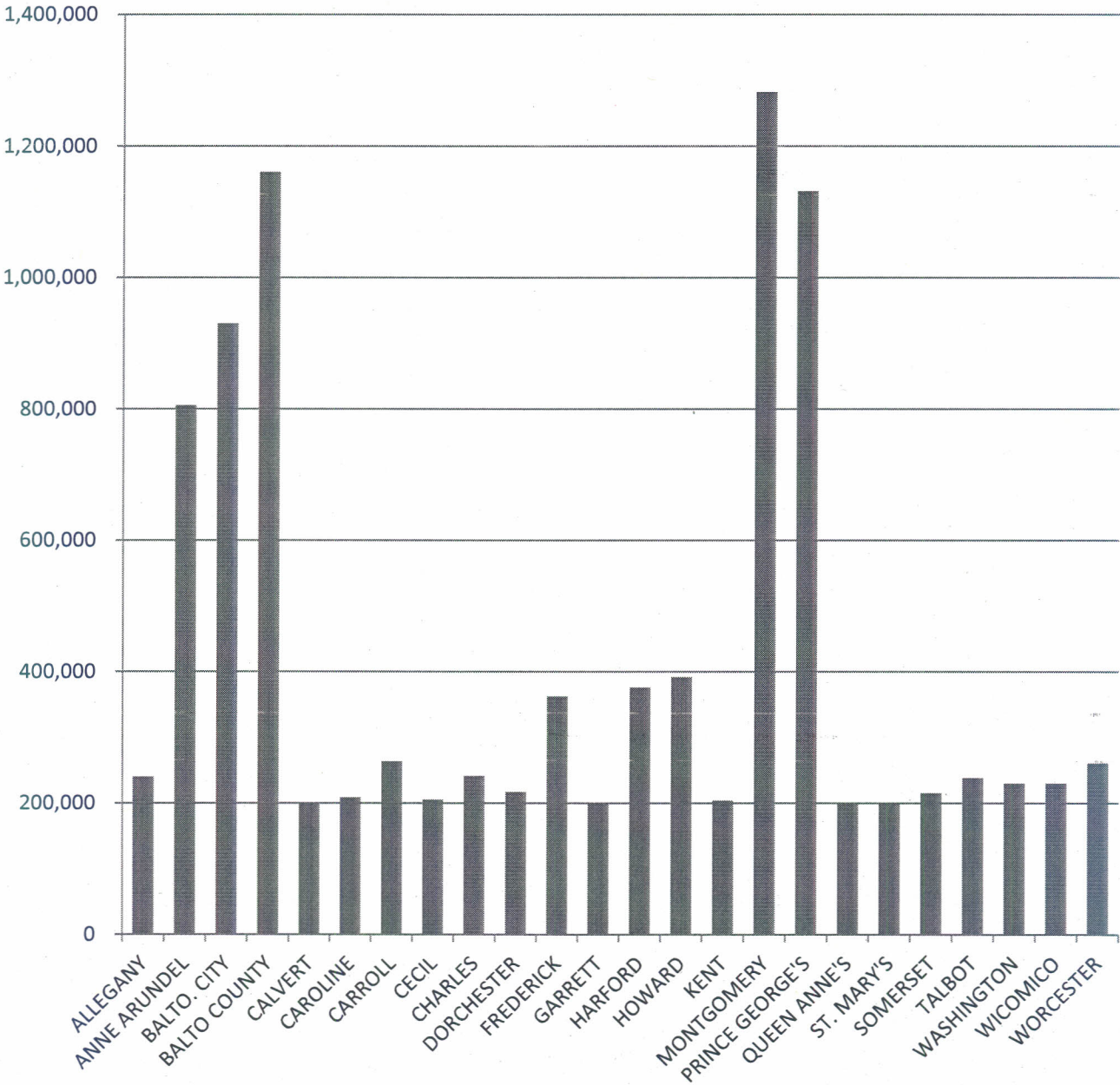
Our examination included a review to determine the current status of the seven findings contained in our prior report for the period ended June 30, 2010. We determined that the jurisdictions had satisfactorily resolved four of these findings. The three remaining findings are repeated in this report.

## **Background Information**

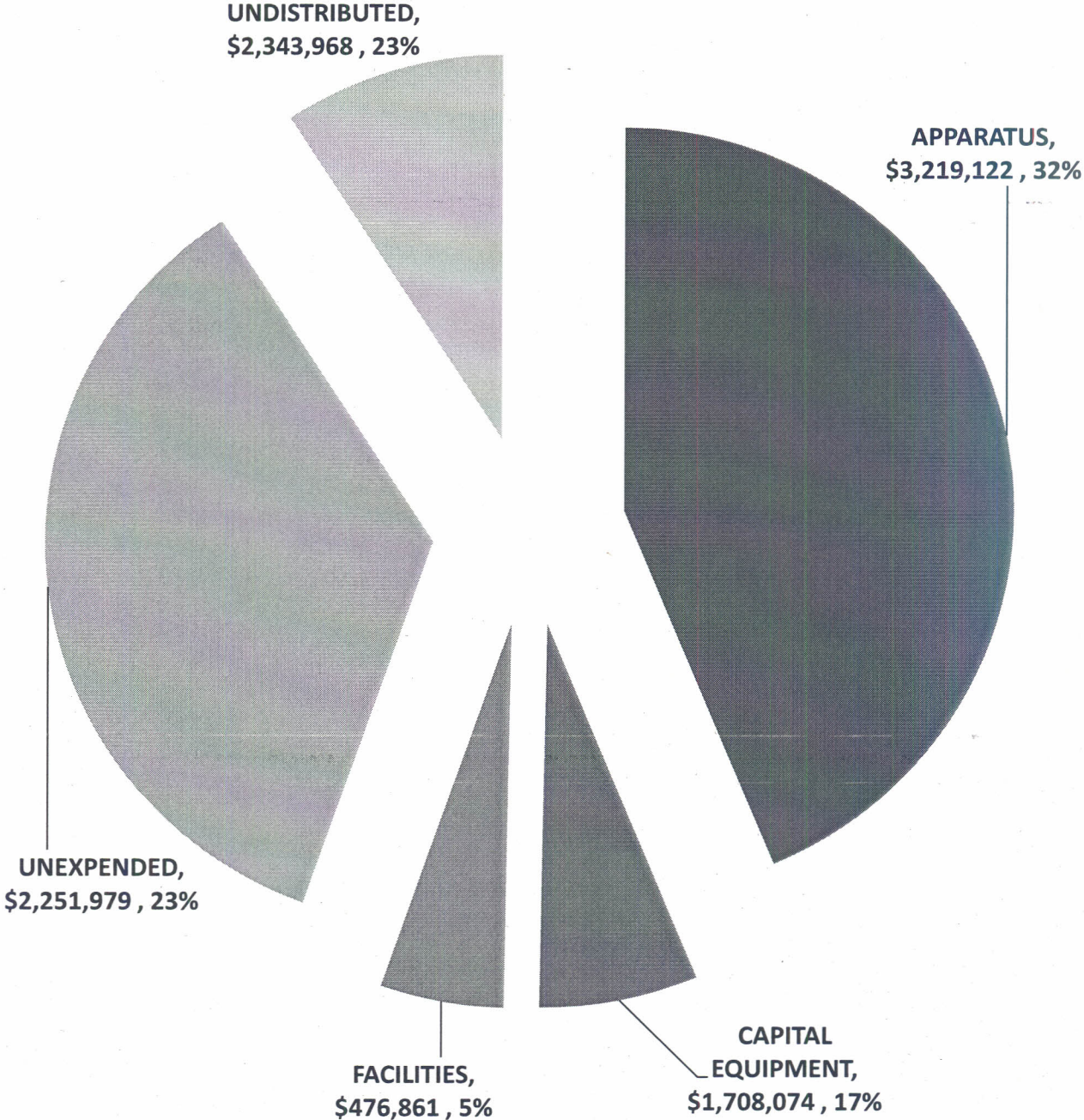
The Amoss fund was established to promote: (1) The delivery of effective and high quality fire protection, rescue, and ambulance services to the citizens of this State; (2) Increased financial support for volunteer fire, rescue, and ambulance companies (VFRACs) by local governments; and (3) The continued financial viability of VFRACs given the greatly increased costs of apparatus and other types of equipment.

In fiscal year 2011, the Amoss fund provided grants-in-aid of \$10,000,000 for fire protection, rescue, and ambulance services to all jurisdictions. The allocation to each jurisdiction is determined by the number of property tax accounts within their boundaries. Additional funds are provided to jurisdictions with municipalities that have "fire protection" expenditures above a statutory threshold. The bar chart on page 2 reports the Amoss funds allocated to each jurisdiction in fiscal year 2011. The pie chart on page 3 shows the use of funds in fiscal year 2011.

# FY 2011 ALLOCATION



# Use of Amoss Funds As of 6/30/2011



## Findings and Recommendations

### Procedure #1

Determine the accuracy of the amount of Fire Protection Expenditures reported by each jurisdiction per 8-105 (a) (1).

#### Findings and Recommendations:

The Director of Finance of each jurisdiction certified the amount of Fire Protection Expenditures incurred in fiscal year 2011. We reconciled each jurisdiction's Fire Protection Expenditures with supporting documentation such as general ledger reports, line items from annual financial reports as well as actual costs reported in their annual budgets. The results of our procedures support the reliability of the amounts reported.

### Procedure #2

Determine whether jurisdictions have met the Maintenance of Effort standard per 8-104 (a) (1) (ii).

#### Findings and Recommendations:

The matrix below compares the fire protection expenditures for each jurisdiction with the average for the preceding three years. Please note that in FY 2011, there were 11 jurisdictions (shaded) that had expenditures less than this average. The following jurisdictions had repeat findings from the prior year: AA, Baltimore Co., Calvert, Dorchester, Harford, Howard, PG, QA, Talbot and Worcester. We recommend that each of these jurisdictions monitor fire protection expenditures and take corrective action.

Jurisdiction	3-Year Avg Exp (FY08,09,10)	FY 2011 Actual Exp	Notes	%
D ALLEGANY	1,360,996	1,619,060	Yes	
ANNE ARUNDEL	12,638,397	11,881,100	No	94%
BALTO. CITY	11,236,758	14,101,827	Yes	
BALTO COUNTY	14,766,470	12,567,454	No	85%
CALVERT	4,218,883	2,813,696	No	67%
CAROLINE	1,383,720	1,466,118	Yes	
CARROLL	9,721,955	9,877,606	Yes	
CECIL	2,588,964	2,920,236	Yes	
CHARLES	10,660,952	12,194,775	Yes	
DORCHESTER	3,111,892	2,933,204	No	94%
FREDERICK	9,340,332	9,391,596	Yes	
GARRETT	1,650,279	2,125,661	Yes	
HARFORD	10,348,720	9,398,177	No	91%
HOWARD	19,617,677	19,505,893	No	99%
KENT	748,341	906,866	Yes	
MONTGOMERY	24,806,075	25,018,831	Yes	
PG	27,697,332	23,584,991	No	85%
QUEEN ANNE'S	2,692,139	2,448,820	No	91%
ST. MARY'S	5,833,788	6,879,409	Yes	
SOMERSET	625,678	740,508	Yes	
TALBOT	1,811,014	1,659,554	No	92%
WASHINGTON	4,728,303	5,833,874	Yes	
WICOMICO	7,082,573	6,724,775	No	95%
WORCESTER	7,758,876	7,442,982	No	96%
	<b>\$196,430,113</b>	<b>\$194,037,013</b>		

### **Procedure #3**

Determine whether jurisdictions have provided adequate matching funds per 8-104 (b).

#### **Findings and Recommendations:**

In FY 2011, 100% of jurisdictions made expenditures for fire protection from their own sources that were greater than or equal to the amount of Amoss money received.

### **Procedure #4**

Determine whether jurisdictions expended or encumbered Amoss funds within two years of receipt per 8-104 (3) (i).

#### **Findings and Recommendations:**

All jurisdictions either expended or encumbered their Amoss allocation within two years of receipt.

### **Procedure #5**

Determine whether jurisdictions have complied with Maryland Fire Incident Reporting System (MFIRS) requirements per 8-103 (7). This web-based system is administered by the Office of the State Fire Marshall.

#### **Findings and Recommendations:**

As of the date of this report, the following jurisdictions had VFRACs that were delinquent in reporting for FY 2011 and prior years: Caroline, Carroll, Garrett, Queen Anne's, Somerset, Talbot and Worcester.

Caroline, Carroll, Queen Anne's, Somerset, Talbot and Worcester are repeat findings. We recommend that these jurisdictions monitor MFIRS compliance on the internet ([www.firemarshal.state.md.us/mfirs.htm](http://www.firemarshal.state.md.us/mfirs.htm)) and take corrective action.

### **Procedure #6**

Determine whether jurisdictions have complied with Ambulance Information System (AIS) reporting requirements per 8-103 (7). This system is administered by the Maryland Institute for Emergency Medical Services Systems (MIEMSS).

#### **Findings and Recommendations:**

As of the date of this report, Frederick, Howard, Montgomery, Prince George's and Worcester were delinquent in their reporting for FY 2011.

Frederick, Montgomery, Prince Georges and Worcester are repeat findings. We recommend that these jurisdictions monitor AIS compliance by contacting MIEMSS ([info@miemss.org](mailto:info@miemss.org)). We also recommend that these jurisdictions implement corrective action for non-compliant VFRACs.

### **Procedure #7**

Determine whether recipients expended Amoss funds for uses authorized by 8-102 (c) (2).

#### **Findings and Recommendations:**

We tested the expenditures of each volunteer company in our sample. Our testing did not reveal any material non-compliance with the statute.

## Procedure #8

Determine whether Amoss money distributed to VFRACs were maintained in a separate account per 8-104 (d) (4).

### Findings and Recommendations:

Our testing did not reveal any non-compliance with the statute.

### Audit Scope, Objectives and Methodology

Procedures #1 through #6 were performed by testing financial data provided by 100% of jurisdictions.

Procedures #7 and #8 were performed by testing financial source documentation obtained from a representative sample. Financial source documentation includes but is not limited to bank statements, cancelled checks, deposit slips and paid invoices.

Each year, eight (33%) of the twenty four Maryland jurisdictions are selected. Per the schedule below, the testing of all jurisdictions is completed at the end of each three year cycle. The FY 2011 testing represents the third year of the current three year cycle. Upon the conclusion of each year's examination a review is made of prior year findings and the effectiveness of any corrective action.

<i>State Fiscal Year of Examination Financial Data Tested for:</i>	<i>FY 2010 YE 6/30/2009</i>	<i>FY 2011 YE 6/30/2010</i>	<i>FY 2012 YE 6/30/2011</i>
ALLEGANY		X	
ANNE ARUNDEL	X		
BALTIMORE CITY		X	
BALTIMORE COUNTY		X	
CALVERT	X		
CAROLINE	X		
CARROLL	X		
CECIL	X		
CHARLES			X
DORCHESTER			X
FREDERICK			X
GARRETT	X		
HARFORD		X	
HOWARD			X
KENT		X	
MONTGOMERY	X		
PRINCE GEORGES		X	
QUEEN ANNES		X	
ST. MARY'S	X		
SOMERSET			X
TALBOT		X	
WASHINGTON			X
WICOMICO			X
WORCESTER			X
<b>24</b>	<b>8</b>	<b>8</b>	<b>8</b>

The jurisdictions listed below comprise the sample tested for Procedures 7 and 8 in FY 2011. These jurisdictions represent approximately 21% of the total fund allocation. The sample also represents approximately 36% of the total number of VFRACs in the State.

	<b>Amount</b>	<b>% of Total</b>	<b>Number of Departments</b>	<b>% of Total Departments</b>
CHARLES	243,465	2%	29	8%
DORCHESTER	208,322	2%	14	4%
FREDERICK	365,086	4%	26	7%
HOWARD	396,741	4%	6	2%
SOMERSET	207,817	2%	9	2%
WASHINGTON	232,099	2%	21	6%
WICOMICO	229,920	2%	14	4%
WORCESTER	262,172	3%	10	3%
<b>Total</b>	<b>\$2,145,622</b>	<b>21%</b>	<b>129</b>	<b>36%</b>