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## HAMILTON COUNTY, TENNESSEE

### OFFICE OF THE COUNTY AUDITOR

To: Weston Wamp, County Mayor  
Hamilton County Commissioners  
Sonia Calvin, Interim Health Administrator  
Audit Committee

From: Chris McCollough, County Auditor

Date: February 18, 2025

Subject: Audit of Public Health Emergency Preparedness (PHEP) Grant Allegations

We performed an audit of the Public Health Emergency Preparedness (PHEP) grant based on a 2024 allegation of the health department mishandling grant funds. The scope of the allegations includes the period from July 1, 2022 to October 2024. Our audit included a review of financial reports, contracts, and resolutions relating to the grant. In addition, we met with key county personnel directly involved with the grant. The following represents a summary of our investigation and the conclusions reached.

### **BACKGROUND**

On June 29, 2022, the Hamilton County Commission passed resolution 622-46. This resolution allowed the Hamilton County Health Department to enter into and execute a continuation contract for \$2,722,875 with the Tennessee Department of Health in order to provide emergency preparedness activities for Hamilton County. Hamilton County is the sub-recipient of the federal grant. The provisions of the grant contract cover the period beginning July 1, 2022, and ending on June 30, 2027. In addition to the grant contract, the State of TN provides guidelines for administering the grant.

## **FINDINGS**

### **MISUSE OF GRANT FUNDS FOR PHEP-FUNDED POSITIONS**

**Allegation #1** – Emergency preparedness positions funded through the grant are not being utilized at the percentage required by the grant and requests for assistance in the required roles have been denied.

**Observation** – After discussion with the State of TN, we were informed that there is no required reporting structure for employees who work directly on the PHEP grant and whose salaries are funded by the grant. In addition, the employees being paid through the grant do not have to work entirely on the grant to meet the ninety-eight percent requirement stated in the grant. They can fully perform those functions and still work in their respective roles. Additionally, we met with Human Resources regarding the denial request for assistance from the employees to aid with certain grant-related work. This is a personnel issue, and it appears HR has resolved this matter.

**Recommendation** – We recommend that a work certification form be prepared each pay period to serve as a metric and show that employees working on the grant are fulfilling the ninety-eight percent requirement stated in the grant to better ensure compliance.

**Management Response** – Since the Hamilton County Health Department has an epidemiology department that consists of three Epidemiologists (who are all on three separate budgets), we have found that it is best business practice to have all epidemiologists report to the epidemiology manager, who has direct oversight over all public health surveillance and detection, as well as epidemiological investigations and who can allocate the job tasks and functions as-needed between the three epidemiologists. Since the Hamilton County Health Department has three epidemiologists, we exceed the ninety-eight percent requirement outlined in the PHEP grant. The ninety-eight percent requirement simply means that out of the three hundred percent pay distribution for our EPI staff, only ninety-eight percent can be requested for reimbursement from the PHEP grant, and the remaining two hundred and two percent is supported by county funds. Moving forward, to further ensure compliance with the PHEP grant, the manager of the epidemiologist will complete a work certification form certifying the work of the employee for each pay period; and the manager will also ensure that the ERC requests for surveys, data pertaining to PHEP are met as well as making the employee available for participation for any emergency response actions that may arise.

### **MISUSE OF PHEP GRANT FUNDS**

**Allegation #1** – There was a misuse of grant funds to purchase redundant equipment.

**Observation** – A Porta Count machine, a respiratory fit tester, was purchased using PHEP funds. However, the health department already possessed a Porta Count machine, which was not functional at the time. The Porta Count equipment was purchased on 6/17/24 and did not have approval from the State of TN. There was a budget revision, which was approved on April 23, 2024. However, this revision did not include the Porta Count equipment. The grant contract does

not allow for purchases of equipment without prior approval. It is the responsibility of the emergency response coordinator (ERC) to get prior approval for capital purchases using grant funds and to determine whether grant expenditures are allowed or disallowed. The health department is reaching out to the state to determine whether the Porta Count equipment can be included as an allowable expense. If the state disallows the expense, then the health department will reimburse the state for the equipment. The health department will provide internal audit documentation from the state showing whether the equipment will or will not have to be reimbursed, once they receive a response.

**Recommendation** – We recommend that the health department follow PHEP guidelines and only request reimbursement from the state for allowable grant costs. If the state denies the request for the Porta Count equipment to be included as an allowable expense, then the health department must reimburse the state for the expense.

**Management Response** – On Friday, January 31, 2025, the State Program manager gave verbal approval that the Porta Count machine purchased on June 17, 2024, is allowable due to our fit-testing requirement of Health Department employees; therefore, we are not required to reimburse the Tennessee Department of Health for the purchase of the equipment. The Porta Count machine was purchased instead of the approved Radiological Monitor that was listed on the Budget Revision (BR) due the fit testing requirement of HD staff. Per the State Program Manager's instruction, notation will need to be made on the approved BR form stating that a second Porta Count machine was purchased instead a Radiological Monitor to meet the demands of fit-testing employees of the Hamilton County Health Department. Furthermore, it was the ERC who submitted the purchase requisition to purchase the Porta Count machine knowing that the item was not approved on the Budget Revision. She prepared the Budget Revision and submitted the BR to the State for approval, if there were to be any deviations from the approved BR for which she submitted, then an email should have been sent the State Program Manager requesting approval prior to the purchase of the equipment. Written confirmation has been requested of the State Program Manager confirming that the Hamilton County Health Department is not required to submit reimbursement of the Porta Count machine. Upon receipt of the written confirmation, I will promptly forward it to the Internal Audit department.

**Allegation #2** – There was an improper use of PHEP funds to purchase t-shirts.

**Observation** – Audit reviewed accounting system reports and verified that apparel was purchased using grant funds in September and October 2022 for a total of \$171.00. These purchases were billed and reimbursed by the State of TN. We contacted the State of TN and confirmed that purchases of apparel are disallowed per the Regional PHEP Program Guidance Manual page 9.

**Recommendation** – The t-shirt purchases are immaterial. However, the health department must follow PHEP guidelines and only request reimbursement from the state for allowable grant costs.

**Management Response** – Due to outreach activities, it is necessary to purchase t-shirts and other apparel for the staff in the Emergency Preparedness department as well as other HD staff who participate in EP response activities, so they can easily be identified in training exercises as well

as during emergencies. Since apparel is not an allowable expense for the grant, there is County support allocated to the budget to support the purchases of items not allowed on the grant. The process to ensure that unallowable expenses are not charged to the grant is for the ERC to write on all receipts/invoices “County Support” so that the accountant who is responsible for submitting the grant invoices will know not to include the receipt/invoice on the grant invoice. Notation was not written on the receipt for the t-shirt purchases. It was an oversight on all parties involved. Additional guidance/training was given to both the new ERC and the accountant to prevent this from occurring in the future. Furthermore, the PHEP guidance manual is updated each year and sent to the ERC. I have asked the ERC to send the guidance to the HD Accounting department upon receipt so that the accountant managing the grant will have a copy to serve as his guideline each month when submitting grant invoices to TDH for reimbursement.

### **MISHANDLING OF PRIVATE INFORMATION**

**Allegation** – The health department improperly handled private information, including specific materials moved without permission and left unsecured.

**Observation** – Audit reviewed photos of the alleged confidential records provided by the complainant. The photos do not provide sufficient evidence to show whether the information is confidential or not. In addition, audit reviewed the room where the photos were taken, and it appears to be a secure room that the public would not have access to. Finally, the complainant did not follow the correct HIPAA process related to allegations of mishandling confidential information. There was never a report filed with the health information manager for the alleged violation.

**Recommendation** – We recommend that the correct HIPAA process be followed when there are concerns of mishandled confidential information. If there are allegations of mishandling confidential information, the health information manager within the health department must be contacted to initiate an investigation. The health department must send a department-wide email to all employees reminding them of this process. In addition, we recommend that the health department put signs up clearly stating that certain areas of the facility are for employees only and restricted from the public.

**Management Response** – The Health Information Manager currently sends an email to all HD staff on a monthly basis in regards to HIPAA compliance as it relates to PHI and other confidential information. An email will be sent referencing the responsibilities of employees, which is outlined in the HIPAA policy manual that states that all HD employees are responsible for protecting private information, and to immediately report any breaches to the Health Information Manager or the Health Data IT Manager so that an investigation can be opened immediately to determine whether or not a breach actually occurred. We will follow the recommendation by placing a sign on the doors for restricted areas to indicate those areas not accessible to the public.

### **BUDGET/OVERTIME RESTRICTIONS AND PROPER TRAINING**

**Allegation** – Budget and overtime restrictions, the ERC was not granted sufficient training and oversight.

**Observation** – Audit confirmed with IT that the ERC is listed as an authority to approve time for their health department staff. Additionally, we verified that the PHEP staff are eligible for overtime when sufficient funding is available. A review of accounting system reports showed that overtime was paid from the PHEP grant. Timekeeper training is based on IT's schedule and not available upon individual request. In addition, we discovered that the health department timekeeping policy does not currently include the use of timesheets but staff do use Web punch to clock in and out. Furthermore, the allegation of denial of training and oversight has been addressed by Human Resources.

**Recommendation** – We recommend the use of timesheets as an added layer of control. The timesheet will be compared to actual punches before being sent to payroll for processing.

**Management Response** – A meeting was held with both the ERC and the Director of Case Management, who now manages the Epidemiologists (EPIs) to discuss oversight of the EPI assigned to the Emergency Preparedness service program. The Director of Case Management will retain management oversight over the EPI assigned to EP, and will submit work certification forms as well as time sheets to the ERC every pay period to ensure compliance. Furthermore, approval for overtime by the EPI must be approved by the ERC in advance. In regards to training for the Time Keeper system, the ERC was on the list for the training as well as the other newly hired Admin managers (there were a total of three (3) newly hired managers for which none of them had received training in the Time Keeper because we had to wait for the next training to be scheduled). All Admin managers have now been trained in Time Keeper and are able to review and approve the payroll hours of the staff assigned to their respective departments.

## **EMERGENCY MANAGEMENT PLANNER (EMP) QUALIFICATIONS**

**Allegation #1** – The PHEP emergency planner position is not filled with a qualified person and is not a necessary role.

**Observation** – The current EMP is under an agreement where she cannot hold a supervisory role. We reviewed the job description for the EMP position, which does not state anything about being a supervisory role. The EMP and ERC have overlapping duties, which need to be revised in the job descriptions. After discussion with the health department administrator, there would never be a circumstance where the EMP would be in a position where they would be acting in a supervisory capacity. In the absence of the ERC, the oversight responsibilities would revert back to the Director of Administrative Services. It is the responsibility of the department to prepare job descriptions.

**Recommendation** – The health department administrator should review the current EMP's job description and verify that it reflects the duties that the employee is actually performing on a daily basis. Any redundant or overlapping duties should be eliminated.

**Management Response** – I met with the Emergency Response Coordinator (ERC) and we reviewed the current job description of the Emergency Management Planner (EMP). Since both the ERC and EMP job descriptions indicate the role of preparing and implementing emergency plans, we decided that the EMP would be responsible for the less challenging plans, such as safety

plans and manuals; whereas the ERC will be responsible for the more complicated plans such as Chemical response plans. The ERC and I both agreed that it is not necessary to make any changes to the Emergency Management Planner's job description at this time, but we will reassess every three (3) months, and will make edits to the job description, when necessary. Also, the ERC will provide training to the EMP to improve her skills on writing and implementing the plans under her responsibility. When the ERC is out, the management responsibilities will actually revert back to the Director of Administrative Services instead of the Administrator (which is the current role that I am serving on an interim basis).

### **AUDITORS' OPINION**

Based on our investigation, the allegations of the Health Department's mishandling of PHEP Grant funds lack substantial evidence. However, as discussed above, some procedural errors were discovered during the audit, which management will address going forward.

We appreciate the help of the health department's staff in assisting us during our audit. If there are any questions regarding this report, please call Austin Durall, Audit Manager, at 209-6211 or me at 209-6212.



**Chris McCollough, County Auditor**

Staff Assigned to Audit

Austin Durall, Audit Manager  
Jamesetta Gray, Senior Auditor

Cc: Claire McVay, Chief of State  
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