

**Audit of the Medical Examiner's Office**

**March 15, 2007**

**Report #635**

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**OFFICE OF THE COUNCIL AUDITOR**  
Suite 200, St. James Building



March 15, 2007

Report #635

**EXECUTIVE SUMMARY**

**INTRODUCTION**

The State of Florida is divided into special districts with regard to the assignment of Medical Examiners. There are currently 24 Medical Examiner districts within Florida and 22 Medical Examiners who service those districts. These districts are established by the Medical Examiner Commission of the State of Florida. Florida Statute Section 406.05, titled Medical Examiner Districts, is the guiding authority. These Medical Examiner districts are each structured differently, with some counties contracting these services for a flat annual amount, some counties contracting out services for a per unit dollar amount, some counties having employees like Duval County, and some counties utilizing a mixture of privatization and core employees for performing the Medical Examiner function.

The Duval County Medical Examiner's Office (MEO) functions as a City Department, with a portion of funding coming from various fees collected and the remainder coming from the City's General Fund. For the FY 2005/06, budgeted revenues were \$464,664 and budgeted expenditures were \$2,185,603, with the remainder of \$1,720,939 budgeted to come from the City's General Fund. The MEO is currently staffed with twenty-six full-time positions, two of which are vacant. These employees, including the doctors, are all eligible to participate in the City's Pension program. Although the Chief Medical Examiner's salary and health benefits are paid by the City, and she also participates in the City's pension program, the Chief Medical Examiner is appointed by the Governor of the State of Florida for a term of three years. The Chief Medical Examiner in turn appoints four Associate Medical Examiners.

The MEO provides services to all counties within District IV which is made up of Duval, Clay and Nassau and four of six counties within District III. The four counties in District III are Suwannee, Columbia, Lafayette and Hamilton. Services provided include autopsies, inspections, record reviews and cremation approvals. Inspections are performed to ensure that the cause of death is consistent with the physical state of a decedent and are less extensive than an autopsy. Fee are not charged to counties for inspections.

Section 406.11 of the Florida Statutes provides the conditions under which an autopsy is required. It states, in part, that an autopsy is required to be performed by the Medical Examiner of the district in which the death occurred or the body was found in instances when any person dies of criminal violence, by accident, by suicide, suddenly when in apparent good health, unattended by a practicing physician or other recognized practitioner, in any prison or penal institution, in police custody, in any suspicious or unusual circumstance, by criminal abortion, by poison, by disease constituting a threat to public health or by disease, injury, or toxic agent resulting from employment.

## **STATEMENT OF OBJECTIVES**

The objectives of the audit were as follows:

1. To determine whether all fees for services rendered by the MEO were assessed, recorded, collected and deposited according to applicable laws, contracts and City Policies and Procedures.
2. To determine whether contracts/agreements entered into by the MEO on behalf of the City were complete, legal and in the best interest of the City.
3. To determine whether the contracted price between the City and other counties, for autopsies, was adequate to cover the costs incurred.

## **AUDIT CONCLUSIONS**

*By Objective*

1. Fees for services rendered by the MEO were not consistently assessed, recorded, collected and deposited according to applicable laws, contracts and City Policies and Procedures.
2. The two contracts that were entered into by the MEO on behalf of the City were complete and legal but not in the best interest of the City. The agreements between the MEO and district III were based on oral agreements and were not in the best interest of the City.
3. Based on the cost estimates provided by the MEO we found that the amount billed to counties outside of Duval for services performed did not cover the City's costs.

## **AUDIT FINDINGS**

- The total amount collected for services was not deposited by the MEO into the City's Accounts. **[Finding 1-1]**
- The City's Cash Handling Procedures were not followed. **[Finding 1-2]**
- The fee schedule in the Municipal Code needs to be updated to eliminate fees that are no longer charged by the MEO. **[Finding 1-3]**
- All funds received were deposited into one generic subobject instead of specific subobjects, for each service provided. **[Finding 1-4]**
- All cremation approval invoicing was taking place within the MEO, rather than through the City's General Accounting Division. **[Finding 1-5]**
- We were unable to determine if the MEO is billing and receiving the correct amount of cremation approval fees due to poor record keeping on the part of the MEO. **[Finding 1-6]**

- The MEO provided services and personally received fees from another district without a corresponding interlocal agreement/contract in place between the City and the district. **[Finding 2-1]**
- Doctors at the MEO did not have job descriptions and there was no contractual agreement in place between the City and the Chief Medical Examiner. **[Internal Control Weakness 2-2]**
- Reimbursements to the City by the MEO for District III autopsy services were not reasonable based on calculations received from the MEO, were incomplete and have no legal basis. **[Finding 3-1]**
- The City was over charged for transportation of decedents within Duval County. **[Finding 3-2]**
- The MEO does not have a formal system in place to determine the per unit cost of an autopsy. **[Finding 3-3]**

### **Overall Opportunity for Improvement**

The services provided by the MEO cost the City \$2,077,170 in the FY 2005/06. A significant portion of this cost stems from salaries and benefits paid to employees of the MEO, including the Chief Medical Examiner and Associate Medical Examiners. As noted previously, although the City utilizes employees to perform this function, medical examiner districts throughout Florida are operated in several different forms, including annual contracts and individual fee for service contracts. We recommend that the Administration review this function to determine whether these services could be provided in a more cost beneficial manner through contracted services rather than operating this function as a core City Department.

**OFFICE OF THE COUNCIL AUDITOR**  
Suite 200, St. James Building



March 15, 2007

Report #635

Honorable Members of the City Council  
City of Jacksonville

**INTRODUCTION**

Pursuant to Section 5.10 of the Charter of the City of Jacksonville and Chapter 102 of the Jacksonville Municipal Code, we conducted an audit of the Duval County Medical Examiner's Office (MEO) for the fiscal year beginning October 1, 2005 and ending September 30, 2006.

**Establishment**

The State of Florida is divided into special districts with regard to the assignment of Medical Examiners. There are currently 24 special districts within Florida and 22 Medical Examiners who service those districts. These districts are established by the Medical Examiner Commission of the State of Florida. Florida Statute Section 406.05, titled Medical Examiner Districts, is the guiding authority. Based on an opinion from the Florida Attorney General in 2003, "Medical Examiner districts are distinct and independent statutory entities created for restricted purposes; they are not state agencies, as their prescribed powers are definitely confined to a less than statewide area". These Medical Examiner districts are each structured differently, with some counties contracting out these services for a flat annual amount, some counties contracting out services for a per unit dollar amount, some counties having employees like Duval County, and some counties utilizing a mixture of privatization and core employees for performing the Medical Examiner function.

**Budget and Operations**

The MEO functions as a City Department, with a portion of funding coming from various fees collected and the remainder coming from the City's General Fund. For the FY 2005/06 budgeted revenues were \$464,664 and budgeted expenditures were \$2,185,603, with the remainder of \$1,720,939 budgeted to come from the General Fund.

**Services Provided**

The MEO provides services to all counties within District IV (Duval, Clay and Nassau) and four of six counties within District III (Suwannee, Columbia, Lafayette and Hamilton). Services provided include autopsies, inspections, record reviews and cremation approvals. Inspections are performed to ensure that the cause of death is consistent with the physical state of a decedent. Inspections are less extensive than an autopsy and associated fees are not charged for this service.

### 2005/2006 Services Provided

Revenues are received for autopsies, attorney requested slides, file copies and cremation approvals. Fees associated with these services are codified in Section 124.103 of the Municipal Code and Section 119.07(4) of the Florida Statutes. During the FY 2005/06, 1,303 autopsies, 4,721 cremation approvals, 262 inspections and 27 record reviews were performed. Of the 1,303 autopsies performed, 114 were for Clay County, 68 were for Nassau County, 149 were for District III and the remaining 972 were for Duval County.

### Contractual Arrangements

Services provided to Clay and Nassau Counties by the MEO are contractual in nature, currently extending three years from October 1, 2005 through September 30, 2008. The contracts stipulate that \$2,100 will be received by the City for each autopsy performed for Clay and Nassau. The City and District III do not have a written contract, but autopsy services have been provided to District III by the MEO for more than twenty years through verbal arrangements.

### MEO Staff

The MEO is currently staffed with twenty-six full-time positions, two of which were vacant as of March 15, 2007. The two vacant positions are a Forensic Administrator and a Forensic Investigator. Of the twenty-four filled positions, there are a total of five doctors. One doctor is the Chief Medical Examiner and four are Associate Medical Examiners, who perform the autopsies and testify in court if necessary. Seven investigators conduct visits to view the deceased before the body is transported to the MEO. Three Autopsy Technicians prepare the autopsy room and assist the doctors during autopsies. One Histopathology Technician prepares tissue samples from decedents and three toxicologists examine substances in specimens, such as alcohol and drugs. Five staff members perform administrative duties, such as compiling information received from the doctors into case files, performing medical transcription, and handling calls from family members and the media. These employees, including the doctors, are all eligible to participate in the City's Pension program. Although the Chief Medical Examiner's salary and health benefits are paid by the City and she also participates in the City's pension program, the Chief Medical Examiner is appointed by the Governor of the State of Florida for a term of three years. The Chief Medical Examiner in turn appoints four Associate Medical Examiners.

### Guiding Principles

Section 406.11 of the Florida Statutes provides the conditions under which an autopsy is required. It states, in part, that an autopsy is required to be performed by the Medical Examiner of the district in which the death occurred or the body was found in instances when any person dies of criminal violence, by accident, by suicide, suddenly when in apparent good health, unattended by a practicing physician or other recognized practitioner, in any prison or penal institution, in police custody, in any suspicious or unusual circumstance, by criminal abortion, by poison, by disease constituting a threat to public health or by disease, injury, or toxic agent resulting from employment.

## **STATEMENT OF OBJECTIVES**

The objectives of the audit were as follows:

1. To determine whether all fees for services rendered by the MEO were assessed, recorded, collected and deposited according to applicable laws, contracts and City Policies and Procedures.
2. To determine whether contracts/agreements entered into by the MEO on behalf of the City were complete, legal and in the best interest of the City.
3. To determine whether the contracted price between the City and other counties, for autopsies, was adequate to cover the costs incurred.

## **STATEMENT OF SCOPE AND METHODOLOGY**

- The period for detailed testing was from October 1, 2005 to September 30, 2006. All receipts (i.e. cash and checks) and supporting documentation associated with the deposits were reviewed. We also obtained all check copies and supporting documents from surrounding counties receiving services from the MEO, for the time period above, as an independent third party verification of information. This information was compared to the supporting documentation provided by the Medical Examiner.
- All written and verbal contracts and agreements between the MEO and other agencies were reviewed. A legal opinion was obtained from the City's General Counsel's Office regarding the role of the Chief Medical Examiner with regard to providing services for other counties.
- We reviewed the Medical Examiner's costing methodology on the per unit cost of providing autopsy services, as well as the associated fees charged, to determine whether the City was sufficiently covering its costs.

### Suggested Additional Audit Work

In limiting the scope of this audit, we did not pursue the following areas, and as such they should be considered for future audit work:

- Overtime Expenditures-Actual overtime expenditures have exceeded budget for the past several years. Additional work would include reviewing Time and Attendance records.
- Transportation Contract-A review of payments suggested possible opportunities for improvement concerning overall invoice approval. See Finding 3-3.
- Building Maintenance-During our tour of the MEO facility we noted areas needing repair.
- Equipment Utilized to Conduct Autopsies-During the MEO facility tour, outdated equipment was brought to our attention.

Prior to any future audit work, we recommend the MEO proactively review the items listed above to determine whether any efficiencies or corrective actions could be taken.

### **STATEMENT OF AUDITING STANDARDS**

We conducted our audit in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgments and conclusions regarding the organization, program, activity, or function under audit. This audit also included an assessment of applicable management controls and compliance with requirements of laws and regulations when necessary to satisfy audit objectives. We believe that our audit provides a reasonable basis for our conclusions.

### **AUDITEE RESPONSES**

Responses from the auditee have been inserted after the respective finding and recommendation. We received these responses from the Duval County Medical Examiner's Office, via Dr. Margarita Arruza, District Chief Medical Examiner in a memorandum dated July 31, 2007.

## **AUDIT CONCLUSIONS**

By Objective:

1. Fees for services rendered by the MEO were not consistently assessed, recorded, collected and deposited according to applicable laws, contracts and City Policies and Procedures.
  2. The two contracts that were entered into by the MEO on behalf of the City were complete and legal but not in the best interest of the City. The services provided to district III were based on oral agreements and were not in the best interest of the City.
  3. Based on the cost estimates provided by the MEO we found that the amount billed to counties outside of Duval for services performed did not cover the City's costs.
- 

### **AUDIT OBJECTIVE #1**

**To determine whether all fees for services rendered by the MEO were assessed, recorded, collected and deposited according to applicable laws, contracts and City Policies and Procedures.**

#### **Finding 1 – 1 Collections for Services Not Deposited**

##### ***District III Fees***

The total amount collected for services was not deposited by the MEO into the City's Accounts. Section 124.03.g, of the Municipal Code states "...A fee of \$2,100 shall be charged for autopsies of decedents who resided outside of Duval County." The Chief Medical Examiner separately bills District III counties (Suwannee, Columbia, Lafayette and Hamilton) a fee of \$2,100 per autopsy, on a quarterly basis. At the Chief Medical Examiner's request, checks for these services were made payable to the Chief Medical Examiner, rather than the City of Jacksonville, and were deposited into her personal bank account. This income was supplemental to her annual salary. These autopsies were performed on City time within the normal work week of each doctor. Based on an informal agreement established by the Chief Medical Examiner, a portion of the District III fees (\$350 effective October 1, 2005) received by the MEO was to be paid to the City. However, for autopsy services provided during the FY 2005/06, we noted that the Chief Medical Examiner repaid the City only \$30,800 rather than the \$52,150 the MEO agreed to remit to the City, based on this informal reimbursement arrangement established by the MEO. City staff, facilities and other resources, such as administration and maintenance are used while providing these services during regular business hours. According to the Chief Medical Examiner, the funds she retains (\$1,750 per case) are disbursed amongst the doctors who perform the autopsies for District III. Other than copies of the checks from the Chief Medical

Examiner indicating the amount she was reimbursing the City, there was no supporting documentation or records available for our further review.

331 autopsies (**114-Clay, 68-Nassau, 7-Lafayette, 51-Suwannee, 14-Hamilton, and 77-Columbia**) were performed during the 2005/06 fiscal year for counties outside of Duval. Rather than the City receiving a portion of the \$2,100 fee, the entire \$2,100 fee should have been deposited within City accounts based on a legal opinion provided by the City's General Counsel's Office. Therefore, the total amount of deposits for autopsies should have been \$695,100. The actual total of deposits was \$407,164 for autopsies performed for other counties. This is a shortage of \$287,936 that should have been deposited into the City's General Fund.

### ***Expert Witness Fees***

Initially we were informed by the MEO that expert witness fees were not charged by the MEO. Subsequent to completion of our audit work we discovered that the Chief Medical Examiner and Associate Medical Examiners not only charge expert witness fees but deposit the fees into individual personal accounts. We were not able to determine the amount of expert witness fees that should have been deposited into City accounts because we do not have audit rights to the doctor's personal bank accounts.

The legal opinion from the City's General Counsel's Office states the following, "Florida Statutes, including Section 406.09, 'make provision for expert witness fees to be paid to the district medical examiner in a number of situations involving civil and criminal proceedings.' Op.Atty.Gen. 03-57. Regardless of whether the expert witness fee is paid by the state, the county or a private party, the fees 'are all income to the Office of the District Medical Examiner when the Medical Examiner is testifying in that capacity.... The Medical Examiner is charged with ensuring that funds paid into the Medical Examiner's Office are used for the purposes of that office.' Id. Accordingly, the expert witness fees should be deposited on behalf of the City".

### ***General Legal Guidelines for Fee Collection***

Section 129.106 of the Municipal Code states, "Except for the salary receivable under this Chapter, all fees, costs, salaries, commissions, extra compensation, and any other funds which are paid or payable to an officer or employee of the city or to his office, either by law or on account of any employee for any agency or instrumentality of the state or of any county or municipality in the state, or for any other office, board, district, authority or unit of state and local government, or for individuals, wherein any of the personnel, equipment or space of the office is employed, shall be included as income of the office and shall not be retained by the officer or employee as personal income."

Part II, Section G.1, of the City's Standard Operating Procedures for Cash Receipts, states, "All checks must be payable to the 'City of Jacksonville', 'Tax Collector' or 'Clerk of Court.'"

Part II, Section H. Offenses, of the City Standard Operating Procedures for Cash Receipts, states, "The following is a list of serious offenses...that may result in discharge from employment:  
5. Commingling of personal and City monies."

## **Recommendation to Finding 1 – 1**

We recommend that all checks received for services performed by the MEO be made payable to the “City of Jacksonville”, that the checks be restrictively endorsed upon receipt and that these funds be deposited daily within the City’s accounts. We recommend that District III counties be invoiced monthly, as opposed to the current practice of invoicing them quarterly. Additionally, as discussed below under Objective 2, it is imperative that the agreement between the City and the MEO and all arrangements with outside counties be formalized as written contracts.

The MEO has operated under the precedent for many years that the income from District III is considered supplemental income to their annual salaries. Although appointed by the Governor, the Chief Medical Examiner has taken on the role of a City employee through her City-paid annual salary and health benefits, as well as her election to participate in the City’s pension program. Such status should prevent her from depositing any additional income into her own bank account rather than the City’s accounts. Based on the number of autopsies performed for District III, and assuming a pro-rata allocation of the number of autopsies to the five doctors, this represents an additional \$52,150 on average to each doctor in a year. The MEO provided us with an informal salary survey they conducted, which shows some disparity between our county and other counties within Florida. Given that we have recommended that the doctors no longer personally receive this supplemental income from District III, we further recommend that the City’s Human Resources Department conduct a formal salary study to determine whether their annual ranges should be increased.

Currently the Chief Medical Examiner and the Associate Medical Examiner’s submit leave forms when testifying as expert witnesses. The subject matter of the testimony is in relation to autopsies performed within a City facility. We recommend that leave not be required for expert testimony. The Medical Examiner and the Associate Medical Examiner’s should remain on City time while acting as expert witnesses.

## **Auditee Response to Finding 1 – 1 Collections for Services Not Deposited**

### **District III Fees**

*For more than twenty years, long before the tenure of Dr. Margarita Arruza as Chief Medical Examiner, the Medical Examiners Office has performed autopsies for District III counties pursuant to an oral agreement. Under the arrangement, the City of Jacksonville received a portion of the payments to cover the estimated costs to the City of providing materials, supplies and the use of the Medical Examiner’s facilities. In May of 2005, the MEO and four counties in District III, Lafayette, Hamilton, Suwannee and Columbia, entered into a new oral agreement by which the four counties are charged \$2100 per autopsy which sum is collected by the Chief Medical Examiner. The MEO reviewed the laboratory operating cost, including salaries, and determined that \$350 of the amount collected was reasonable to cover the cost to the City for the materials, supplies and use of the facilities. The City has agreed and acquiesced to this arrangement.*

*The Audit Report is inaccurate to the extent that it states payments for District III autopsies were deposited in the Chief Medical Examiner's personal bank account and that "this income was a supplement to her annual salary." (Draft Report, p. 5). The funds are deposited into a separate account established by the Chief Medical Examiner entitled "Forensic Services" and have not been commingled with the Chief Medical Examiner's personal funds. After payment of the \$350, the balance, \$1,750, is used to supplement the salaries of the MEO staff. The Audit Report states that, assuming a pro-rata allocation to the Chief Medical Examiner and the four Associate Medical Examiners, the payments represented an additional \$52,150 on average for each doctor per year. The \$1,750 has been used to supplement the salaries of all of the staff of the MEO, payments first being made to the hourly employees based on a rate to which each is entitled. After all such payments, the balance is divided equally among the doctors. As a result, it is estimated that each of the five doctors has in the past received approximately \$40,000 annually from the payments made by the District III counties.*

*In 2003, the Attorney General of Florida was asked to give an opinion (AGO 2003-57) characterizing the nature of fees coming into the Medical Examiners Office. In answering the question, the Attorney General cited Florida Statute 406.08(2), which provides as follows:*

*In the event that an examination or autopsy is performed by the district medical examiner or his or her associate upon a body when the death occurred outside the district, the governmental body requesting the examination or autopsy shall pay the fee for such services.*

*The opinion then states:*

*Clearly, the medical examiner may be receiving income from a number of sources: the county, other counties in the medical examiner district, the state, or another governmental body. These funds are public funds and the governmental entities paying these funds are responsible for making sure they are utilized for the purposes for which they were appropriated and paid.*

*Based upon the opinion of the Attorney General, it is the responsibility of the counties in District III who use the services of the MEO and not the City of Jacksonville to make sure that the fees paid are utilized for the purposes for which they were appropriated.*

*The Audit Report cites §129.106 of the Jacksonville Municipal Code that provides that*

*Except for the salary receivable under this Chapter, all fees...which are paid or payable to an officer or employee of the city or to his office, either by law or on account of any service to be performed by the office or employee...for any county...wherein any of the personnel, equipment or space of the office is employed, shall be included as income of the office and shall not be retained by the office or employee as personal income.*

*If the Audit Report is correct and that, based upon \$129,106, fees paid by the District III counties may not be retained by the offices or employees of MEO as personal income, an alternative arrangement, as suggested in the Draft Report, must be made to fairly compensate the MEO staff.*

*The supplemental income presently received by the staff of the MEO is essential to the funding of the office. As the Draft Report notes, the MEO provided the auditors with an informal salary survey which shows a disparity between the salaries paid the Duval County MEO staff and salaries paid in other counties. The information available to the MEO is that the disparity is substantial and if, as the Draft Report recommends, all checks for payments from District III be made payable to the City of Jacksonville, then the salaries of all members of the Medical Examiner's staff must be correspondingly increased by the amount of the District III supplement to make it possible for the Medical Examiner to retain the staff to carry out the functions of the office.*

*Although the Draft Report accurately states that the District III autopsies are performed during the work week of the doctors and the City staff, facilities and other resources are used while providing these services during regular business hours, the fact is the doctors are not hourly employees and put in many hours which would otherwise be considered as overtime, they are on duty and at the Medical Examiners Offices every other weekend and they are more than meeting their responsibilities to the City of Jacksonville while at the same time providing the services to the other counties in District III. The hourly staff on a regular basis puts in uncompensated overtime to perform services relating to the District III autopsies. The City of Jacksonville, therefore, is receiving the full benefit of the services of the Medical Examiners staff for which they are paid by the City.*

*The Audit Report notes the total amount of the autopsies for the other District IV and District III counties should have been \$695,100 while the actual deposits were \$407,164 with a "shortage" of \$287,936 which "should have been deposited in the City's general fund." (Draft Report, p.5). There is no "shortage." The difference is primarily the \$1,750 paid by the District III counties and used by the Medical Examiner to supplement salaries.*

*During the City fiscal year (October, 2005 through September, 2006), a total of \$44,050 was deposited for 148 autopsies from District III. The October 28, 2005 deposit (for autopsies performed during July, August, September) (4<sup>th</sup> quarter of FY04/05) was at the old rate of \$100 per autopsy. District III billing is invoiced after service is provided, therefore the MEO is billing in January (Qtr 1), April (Qtr 2), July (Qtr 3) then October (Qtr 4). The City of Jacksonville fiscal period is October (Qtr 1), etc. Therefore, there is a three month difference in the fiscal period for the City of Jacksonville and the District III billing cycles.*

#### *Expert Witness Fees*

*The Chief Medical Examiner and the Associate Medical Examiners charge expert witness fees when called upon to testify in cases involving the District III counties and in civil matters. No fees are charged for assisting in criminal investigations and testifying in criminal cases in Duval County. The Draft Report states that "initially we were informed by the MEO that expert witness fees were not charged by the MEO." (Draft Report, p. 5). This information was correct*

*because such fees are not charged by the MEO, but rather, as noted, are charged by individual physicians which have been a long-standing procedure and one which is legally justified. The doctors charge an expert witness fee when appearing as a witness in matters for the State Attorney's Office for the Third Judicial Circuit. In these cases, they are not appearing as members of the Duval County Medical Examiners Office. Florida Statute 406.09 provides that "District Medical Examiners or Associate Medical Examiners shall be entitled to expert witness fees as provided by law." This statute does not direct to whom the fees are to be paid. Similarly, §129.105 of the Jacksonville Municipal Code which provides for the salaries of the Chief Medical Examiner and Associate Medical Examiners states that such compensation*

*shall not preclude private educational and consultive services in the field of forensic pathology which do not interfere with the duties being compensated.*

*It is the understanding of the MEO that this provision was inserted into the Municipal Code to cover the situation in which the doctors are serving as expert witnesses in the field of forensic pathology in the District III counties and in civil matters.*

*When the doctors employed by the Medical Examiners Office testify as expert witnesses in District III or civil matters, they are not appearing in their official capacity with the City, but simply as an expert witness in forensic pathology, and under §129.105 are entitled to retain the fees they are paid.*

*The doctors, as noted above, put in full time for services for the City of Jacksonville and have substantial leave time. When the doctors are acting as a witness in District III or as an expert in forensic pathology in civil matters, they are doing so on their own time and it does not interfere with the performance of their duties for the City*

### **Rebuttal to Finding 1-1 Response-Collections for Services Not Deposited**

#### **District III Fees**

**Although the MEO has performed autopsies for District III under an oral agreement for many years, the City has not at any time formally accepted the arrangement with these counties. Under the current structure, the MEO is capable of contracting in what ever manner deemed appropriate by the Office regardless of its impact on the City. The current structure does not provide for accountability. During the audit the MEO reiterated that the cost of an autopsy could not be determined, so whether the City's costs are being recovered by the \$350 is not known.**

**Regardless of the bank account used, the MEO deposited City revenues into non City accounts in which primary control was held by Chief Medical Examiner. The MEO response suggests that as long as personal and City funds are kept separate this practice is acceptable. City funds are required to be deposited into City accounts without exception.**

During our audit we were provided with the number of autopsies performed during the 2005/06 fiscal year. Based on this number, we were able to determine the amount that should have been collected and deposited into City accounts. Based on the amount deposited we determined the amount maintained by the doctors. We were not made aware, at any time, that personnel, other than the doctors, were receiving additional money for services. Per the United States Department of Labor, MEO personnel are not permitted to work uncompensated hours regardless of which county the autopsies are being performed for

### **Finding 1 – 2 City Cash Procedures**

We found instances where the MEO did not follow the City’s Cash Procedures related to deposits made during the 2005/06 fiscal year. Specifically we found the following examples:

1. Of \$92,323 deposited for cremation approvals, fees for photocopies and slides, we found no support to demonstrate what individual checks made up the \$92,323 total deposit. Therefore, we were not able to confirm the source of these receipts nor were we able to match up these payments with the billing schedule prepared by the MEO. According to Section III.C.7 of the City’s Cash Procedures, “mail handlers should prepare a prelist of all check receipts.” This list is kept for use in subsequent audits.
2. No supporting documentation was submitted with the personal checks from the Chief Medical Examiner when she reimbursed the City for a portion of District III autopsies. The checks totaled \$30,800. We were not able to confirm which cases or which counties the payments were for.
3. Of \$201,600 deposited on behalf of Clay County autopsies, timeliness of the deposits was not determinable for \$182,700. Of \$138,100 deposited on behalf of Nassau County autopsies, timeliness of the deposits was not determinable for \$138,100. Section III.C.10 of the City’s Cash Procedures specifies that, “monies shall be deposited the same day as received.”

In addition, checks received were not restrictively endorsed by the MEO in accordance with Section III.C.6 of the City’s Cash Procedures and duties were not properly segregated. The Forensic Administrator currently receives the payments, prepares and makes the deposit, and then verifies that the deposit was correctly posted to the City’s General Ledger. Section III.C.10 of the City’s Cash Procedures states that the deposit preparation must be performed by a person not handling cash receipts. In addition, Section III.C.15 further states that the reconciliation of the deposits must be performed by a different employee than the one handling cash receipts.

## **Recommendation to Finding 1 – 2**

At the time of our audit, the MEO was not aware of the City's Cash Handling Procedures. We recommend that the MEO obtain a copy of and comply with the City's Cash Handling Procedures to ensure that all revenue sources are properly accounted for and safeguarded. Recommendations specific to numbers 1 through 3 above are as follows:

1. We recommend that a list be developed for payments received and that a copy of the list be attached to the deposit receipt from the Tax Collector in order to maintain accountability.
2. We recommend that the MEO document all cash receipts and maintain supporting documentation. In addition, we recommend that all payments received by the MEO be made payable to the City or the Tax Collector.
3. We recommend that the date stamp be set daily so that the accurate date of receipt is shown on supporting documents.

We recommend that the MEO obtain and use a restrictive endorsement stamp to the City of Jacksonville. Checks should be stamped immediately upon receipt. We also recommend that the MEO adhere to the City's Cash Handling Procedures with regard to the Segregation of Duties.

## **Auditee Response to Finding 1 – 2 City Cash Procedures**

*During the Budget process for fiscal year 2005/2006, the Medical Examiner was asked to cut expenditures or increase revenue. During conferences with city administrators it was proposed that the MEO assess a Cremation Approval Fee of \$25. At the time the Cremation Ordinance was introduced to generate additional revenue for the city, this Office requested that invoicing and collection be handled through Accounts Receivable or Tax Collector, but was met with negative results. The Legislative process was completed and an Ordinance was passed to accommodate this fee. The Mayor's Office, the Budget Office, the General Counsel's Office, and the City Council were all involved in this process. The procedure for administering this process was never clarified at any level and the MEO was instructed to begin collecting the fees from funeral homes on October 1, 2005 without prior training or instruction on how to do so. Therefore, the MEO proceeded with a system to invoice, collect and record fees for this service. The MEO is in compliance with the City's Cash Handling Procedure and have gone back to the original date of implementation using the procedure. The MEO has lists attached to all deposit receipts for the Tax Collector. All cash receipts and supporting documentation are kept with each deposit. The duties have been segregated in that one employee receives and posts the payment and prepares the deposit. Another employee reconciles the deposit. All cremation approval fees, since the inception of this process on October 1, 2005, have been payable to the Tax Collector, as evidenced by the invoices and checks submitted to the Council Auditor staff.*

### **Rebuttal to Finding 1-2 Response-City Cash Procedures**

*During the course of our audit, only one employee, the Forensic Administrator, was responsible for receiving, recording, depositing and reconciling collections. Additionally, we were unable to confirm through audit evidence that all revenues collected from cremation approvals were deposited into City Accounts. We were unable to obtain this audit evidence due to an unknown population size of authorized cremation approvals.*

### **Finding 1 – 3 Updated Fee Schedule**

We found that autopsy room rental fees for organ removal and completion of insurance fees in Section 124.103 of the Municipal Code are no longer applicable because the related services are no longer provided.

### **Recommendation to Finding 1 – 3**

We recommend that the MEO propose an updated fee schedule and that legislation be forwarded to City Council that would approve an amendment to the Municipal Code.

### **Auditee Response to Finding 1 – 3 Updated Fee Schedule**

*The Municipal Code is not prepared by the MEO and revisions have not been requested from this office. The Municipal Code apparently has not been revised in many years as it relates to the MEO. This office will submit an updated fee schedule to the City Council for an amendment to Section 124.103 of the Municipal Code for autopsy room user fees for organ removal and for fees for completion of insurance fees which has never been done at this office, that are currently incorrectly listed.*

### **Finding 1 – 4 Different Revenue Classifications**

All funds received by the MEO were deposited into one nondescriptive revenue line titled “Medical Examiner Services.” This lost identity in the revenues results in the inability to determine how much revenue is received from each source, making it more difficult to establish an accurate revenue budget each year. Additionally, this process makes it difficult to properly account for all receipts received by the MEO.

### **Recommendation to Finding 1 – 4**

We recommend that separate revenue classifications (within the General Ledger this would correlate to new subobjects) be established to individually identify the revenues being deposited by the MEO. This will result in better accountability of receipts and also provide a more reliable way to budget revenues each year.

**Auditee Response to Finding 1 – 4 Different Revenue Classifications**

*The MEO had only one revenue account assigned for Clay and Nassau County which has been the case for many years. When the cremation ordinance was passed and the process implemented, the MEO had no knowledge that separate revenue accounts were necessary. The MEO will contact General Accounting regarding separate revenue classifications to establish individual revenue accounts for use by the MEO.*

**Finding 1 – 5 Accounts Receivable for Cremation Approvals**

Invoicing for cremation approvals is handled at the MEO. Invoicing and booking of receivables is not being processed through General Accounting Division's Accounts Receivable Department and therefore is not recorded as an official receivable in the City's General Ledger.

It is good business practice to book receivables in order to provide for a matching of revenues and expenditures incurred.

**Recommendation to Finding 1 – 5**

We recommend that the MEO process all receivables through the City's accounting division to ensure that revenues are recorded when earned and appropriately match expenditures. This will also provide for an aging of receivables so that late payments can be monitored without having to manually track the information based on data in a spreadsheet.

**Auditee Response to Finding 1 – 5 Accounts Receivable for Cremation Approvals**

*At the time the Cremation Ordinance was introduced to generate additional revenue for the city, the MEO requested that invoicing and collection be handled through Accounts Receivable or Tax Collector, but was met with negative results. The MEO was directed to collect cremation approval fees with no instruction or training at any level as how to do so. The MEO contacted the accounting division to discuss a process for accounts receivables for cremation approvals. The Senior Accountant in the Accounting Division has been contacted and instructions have been obtained. There is concern on both sides as how to invoice. According to the Accounting Division, invoices can only contain one line item per reference number. This will not accommodate the multiple cremations currently being invoiced to various funeral homes. There will be some expense for internal services, such as ITD for software to interface with the FAMIS accounting system and funding may be an issue. This recommendation may be difficult to accomplish unless these concerns can be addressed and additional funding can be obtained.*

### **Finding 1 – 6 Cremation Approval Scope Limitation**

We were unable to determine whether all fees for cremation approvals had been billed, collected and deposited due to the MEO's inadequate independent bookkeeping procedures.

### **Recommendation to Finding 1 – 6**

We recommend that the MEO implement a cremation approval tracking system. Each approval should be authorized with a unique identifier that can be referenced for invoicing purposes.

### **Auditee Response to Finding 1 – 6 Cremation Approval Scope Limitation**

*Any funeral home that falls within the MEO jurisdiction (death occurs within the District) that requests and receives a cremation approval is invoiced. The scope limitation for cremation approvals is not that the MEO have inadequate procedures, but that this district has an undeterminable number of funeral homes. The MEO maintains a complex access database, which was in place during the council audit process, of funeral homes requesting approvals which are continually updated when a new funeral home makes a request. There is another complex cremation approval access database that was in place during the audit process, that tracks each cremation approval, assigns a unique approval number and then transfers the data to an invoice during the billing period. This tracking system has been in place since implementation of the cremation approval process.*

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### **AUDIT OBJECTIVE #2**

**Determine whether contracts/agreements entered into by the MEO on behalf of the City were complete, legal and in the best interest of the City.**

### **Finding 2 – 1 Formalize District III Contract**

The MEO provides autopsies and other services within a City facility to District III counties (Suwannee, Lafayette, Hamilton and Columbia) and receives personal compensation, without a written contract between the City and District III. The services were verbally agreed upon between the Chief Medical Examiner and the four counties within the District. According to several sources, this practice was in place preceding this Medical Examiner.

Under Section 406.08(5) of the Florida Statutes, “[a]utopsy and laboratory facilities utilized by the district medical examiner or his or her associates may be provided on a permanent or contractual basis by the counties within the district.” However, based on a legal opinion we obtained from the City’s General Counsel’s Office, services performed outside the district require a contractual agreement.

**Recommendation to Finding 2 – 1**

As previously mentioned in the recommendation to finding 1-1, we recommend that the City’s Human Resources Department perform a salary survey and recommend appropriate salary ranges (excluding supplemental income received from District III) for the Chief Medical Examiner and Associate Medical Examiners as established by Section 129.105 of the Municipal Code. We recommend that all personal compensation agreements between MEO staff and other counties be eliminated and that work for other counties be performed in accordance with written contracts between the City and those counties.

**Auditee Response to Finding 2 – 1 Formalize District III Contract**

*The MEO and the City of Jacksonville can work on an agreement that will benefit all parties.*

**Weakness 2 – 2 Lack of Job Descriptions**

The Human Resources Department does not have job descriptions for the Chief Medical Examiner or the Associate Medical Examiners who work for the MEO. Neither the Chief Medical Examiner or any of the Associate Medical Examiners have guidelines for requirements of their positions upon which to evaluate their performance. Job descriptions are important for hiring and evaluation purposes.

**Recommendation to Weakness 2 – 2**

We recommend that the MEO work with the City’s Human Resources Department to create job descriptions for each position at the MEO.

**Auditee Response to Weakness 2 – 2 Lack of Job Descriptions**

*All personnel have job descriptions*

**Rebuttal to Weakness 2-2 Response-Lack of Job Descriptions**

*During our audit we requested job descriptions for all personnel from the MEO. We were informed that job descriptions were not available for the Chief Medical Examiner and the Associate Medical Examiners. We also inquired with the Human Resources Department.*

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### **AUDIT OBJECTIVE #3**

**Determine whether the contracted price between the City and other counties, for autopsies, was adequate to cover the costs incurred.**

#### **Finding 3 – 1 \$350 District III Reimbursement**

Payments by the MEO to the City for District III autopsy services do not cover the cost of the autopsies; as a result, the City is unintentionally subsidizing the autopsies for the other counties. The Chief Medical Examiner inconsistently paid the City \$350 for autopsy room usage and supplies when autopsies were performed for District III counties (Lafayette, Columbia, Suwannee, Hamilton). These autopsies were performed on City time within the normal work week of each doctor. Based on information provided by the MEO, the cost of an autopsy is between \$1,815 and \$2,519, which means that the City is subsidizing each autopsy in an amount between \$1,465 and \$2,169.

#### **Recommendation to Finding 3 – 1**

We recommend that the City’s actual cost per autopsy be incorporated in the written contracts with District III counties, (see Recommendation to Finding 2-1 above) so that the City is made whole for the services provided to the other counties.

#### **Response to Finding 3 – 1 District III Reimbursement**

*The Draft Report states that “based on information provided by the MEO, the cost of an autopsy is between \$1,815 and \$2,519, which means that the City is subsidizing each autopsy in the amount between \$1,465 and \$2,169.” The Draft Report is inaccurate to the extent that it states that the City is subsidizing autopsies for District III. The City is paid \$350 for each autopsy and the balance of the \$2,100 fee is not a subsidy from the City but, as discussed in the response to Finding of Fact 1-1, these funds are used by the MEO to supplement the income of the MEO staff without which the City would have to increase the salaries paid by the City.*

*The Report recommends that the MEO develop a cost analysis methodology that would allow them to calculate the average cost per autopsy and inspection. Each autopsy and inspection is different and the MEO do not have the staff or programs to enable it to determine the actual per unit cost of an autopsy. The MEO has and can continue to estimate an average or a range of cost for autopsies which can be used when contracts are entered into for the District III counties and when the contracts are renegotiated for Clay and Nassau Counties.*

### **Finding 3 – 2 Per Unit Costing System for Autopsies**

Although we were provided per unit cost estimates, the MEO did not have a formal system in place to determine the per unit cost of an autopsy. Additionally, the MEO was unable to verify how certain components of the per unit cost of an autopsy were determined. The City Council Finance Committee requested that the MEO provide a calculation of the per unit cost of an autopsy during the review of the FY 2006/07 budget. This information was requested in order to determine whether Duval County subsidizes any Medical Examiner services provided to Clay, Nassau and other counties outside of Duval. Based on their calculations, the MEO estimated that an autopsy costs approximately \$1,815 for a natural death and approximately \$2,519 for a violent death (homicide, suicide, traffic accident). The City bills Clay and Nassau Counties \$2,100 per autopsy. Thus, based on the MEO's calculations, a conclusion was reached that the rate billed covered the City's costs on natural deaths, but that the City subsidized a portion of the cost (approximately \$400 for each autopsy) for Clay and Nassau county violent deaths. We also noted that the most recent contract with Clay and Nassau counties (effective October 1, 2005 for three years) does not include a cost of living or inflationary price index.

The contracts between Duval and Clay and Nassau Counties stipulate that these counties shall pay Duval a rate of \$2,100 per case for all investigations, examinations, scene visits, autopsies, court appearances and depositions. During the course of our audit, we found that the MEO only directly billed for autopsies and was therefore not maximizing its revenue opportunities.

### **Recommendation to Finding 3 – 2**

We recommend that the MEO develop a cost analysis methodology that will allow them to calculate the average cost per autopsy and per inspection. This unit cost information is necessary in order to institute an inspection fee and ensure that existing fees sufficiently cover the City's cost to prevent the City from subsidizing other counties. In addition, we recommend that contracts be limited to one year or include an inflationary price index if they are multi-year contracts in order to minimize the City's financial exposure.

### **Response to Finding 3 – 2 Per Unit Costing System for Autopsies**

*The methodology for determining a per unit costing system for autopsies is complex, due to many variables. It is difficult to determine a standard case or a complex case. A homicide can be a simple gunshot wound or multiple stab wounds. A natural death may require autopsy examinations and microscopic interpretation. A motor vehicle accident, with multiple injuries, could take a lot more time than a simple gunshot wound homicide. It would take a formal time/effort/cost study to find out how much we are spending per diagnoses and would require a tracking system and acquiring actual data. Due to current staffing shortages and budget restraints, this is impossible to accomplish. The MEO will provide a cost analysis method estimate that will allow us to calculate costs that will sufficiently cover the City's expenses.*

*Past contracts with Clay and Nassau counties were approved annually but were extended to a three year contract at the recommendation of the previous City Council Auditor.*

*The Medical Examiners Office Investigative staff does not do scene investigations or scene visits outside of Duval County. The Clay County Sheriff's Office and the Nassau County Sheriff's Office do their own investigation and provide our office with their findings. Therefore, this cannot be utilized as a revenue opportunity, unless the City Council approves the use of city vehicles in these other counties and increases the investigative staff. The Chief Medical Examiner and Associate Medical Examiners occasionally go to Clay and Nassau County scenes.*

### **Finding 3 – 3 Transport Overbill**

We found that the City was overcharged \$9,075 during FY 2005/06 for transportation of decedents within Duval County. The total contract amount for FY 2005/06 was \$97,275.

When the vendor submitted invoices for the FY 2005/06, a log detailing the individual transports was not provided. This is a violation of the contract. The vendor stopped providing transportation logs with invoices when the company was informed by the MEO that the logs were not needed by the City's General Accounting Division in order to process the payment. As a result, the MEO did not have the information necessary to verify invoice accuracy.

### **Recommendation to Finding 3 – 3**

We recommend that the MEO request reimbursement for the \$9,075 overcharged to the City. We also recommend that the vendor comply with the contractual requirements by providing supporting logs with the names of decedents and their identifying numbers so that the MEO is able to easily verify the decedents for which they are being billed and ensure that the payment is accurate.

### **Response to Finding 3 – 3 Transport Overbill**

*The MEO has requested that the transporter bring all documentation for the period noted for an intensive review to determine if there is in fact this discrepancy. If proper documentation can not be produced, the transporter will be required to reimburse the MEO.*

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## **Overall Opportunity for Improvement**

The services provided by the MEO cost the City \$2,077,170 in the FY 2005/06. A significant portion of this cost stems from salaries and benefits paid to employees of the MEO, including the Chief Medical Examiner and her Associate Medical Examiners. As noted previously, although the City utilizes employees to perform this function, medical examiner districts throughout Florida are operated in several different forms, including annual contracts and individual fee for service contracts. We recommend that the Administration review this function to determine whether these services could be provided in a more cost beneficial manner through contracted services rather than operating this function as a core City Department.

We appreciate the assistance and cooperation we received from the MEO throughout the course of this audit. The MEO's Forensic Administrator was particularly helpful in responding to our requests for information.

Respectfully submitted,

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