

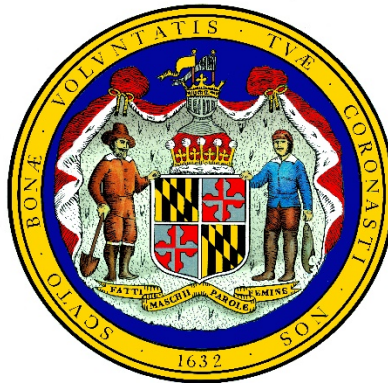
Audit Report

---

**Maryland Emergency Medical System Operations Fund**

April 2025

---



**OFFICE OF LEGISLATIVE AUDITS**  
**DEPARTMENT OF LEGISLATIVE SERVICES**  
**MARYLAND GENERAL ASSEMBLY**

### **Joint Audit and Evaluation Committee**

Senator Shelly L. Hettleman (Senate Chair)	Delegate Jared Solomon (House Chair)
Senator Joanne C. Benson	Delegate Steven J. Arentz
Senator Benjamin T. Brooks, Sr.	Delegate Andrea Fletcher Harrison
Senator Paul D. Corderman	Delegate Steven C. Johnson
Senator Katie Fry Hester	Delegate Mary A. Lehman
Senator Cheryl C. Kagan	Delegate David H. Moon
Senator Clarence K. Lam, M.D.	Delegate Julie Palakovich Carr
Senator Cory V. McCray	Delegate Emily K. Shetty
Senator Justin D. Ready	Delegate Stephanie M. Smith
Senator Bryan W. Simonaire	Delegate M. Courtney Watson

### **To Obtain Further Information**

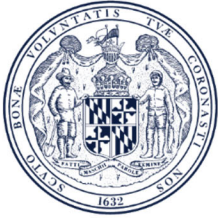
Office of Legislative Audits  
The Warehouse at Camden Yards  
351 West Camden Street, Suite 400  
Baltimore, Maryland 21201  
Phone: 410-946-5900  
Maryland Relay: 711  
TTY: 410-946-5401 · 301-970-5401  
E-mail: [webmaster@ola.state.md.us](mailto:webmaster@ola.state.md.us)  
Website: [www.ola.state.md.us](http://www.ola.state.md.us)

### **To Report Fraud**

The Office of Legislative Audits operates a Fraud Hotline to report fraud, waste, or abuse involving State of Maryland government resources. Reports of fraud, waste, or abuse may be communicated anonymously by a toll-free call to 1-877-FRAUD-11, by mail to the Fraud Hotline, c/o Office of Legislative Audits, or through the Office's website.

### **Nondiscrimination Statement**

The Department of Legislative Services does not discriminate on the basis of age, ancestry, color, creed, marital status, national origin, race, religion, gender, gender identity, sexual orientation, or disability in the admission or access to its programs, services, or activities. The Department's Information Officer has been designated to coordinate compliance with the nondiscrimination requirements contained in Section 35.107 of the United States Department of Justice Regulations. Requests for assistance should be directed to the Information Officer at 410-946-5400 or 410-970-5400.



DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF LEGISLATIVE AUDITS  
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber  
Executive Director

Brian S. Tanen, CPA, CFE  
Legislative Auditor

April 21, 2025

Senator Shelly L. Hettleman, Senate Chair, Joint Audit and Evaluation Committee  
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee  
Members of Joint Audit and Evaluation Committee  
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of the Maryland Emergency Medical System Operations Fund (MEMSOF) for the period beginning April 1, 2020 and ending March 31, 2024. MEMSOF was established by State law to help fund the State's emergency medical services related to five different operations through surcharges on motor vehicle registrations and certain driver moving violations. State law designated the Comptroller of Maryland (COM) as the administrator of MEMSOF.

Our audit did not disclose any findings that warrant mention in this report.

We wish to acknowledge the cooperation extended to us during the audit by COM and the other agencies involved with MEMSOF.

Respectfully submitted,

*Brian S. Tanen*

Brian S. Tanen, CPA, CFE  
Legislative Auditor



## **Background Information**

### **Maryland Emergency Medical System Operations Fund Overview**

The Maryland Emergency Medical System Operations Fund (MEMSOF) was established by Chapter 269 of the Laws of Maryland 1992 to help fund certain operations of the State's emergency medical services system. State law provides that MEMSOF is a continuing, non-lapsing fund, which is not required to be reverted to the State's General Fund at fiscal year-end. The law further provides that interest and earnings on MEMSOF are to be separately accounted for and credited to MEMSOF. The law also designated the Comptroller of Maryland (COM) as the administrator of MEMSOF.

### **MEMSOF Revenues**

MEMSOF is funded by surcharges collected by the Motor Vehicle Administration (MVA) and Judiciary. The majority of the funding is from the MVA surcharge of \$14.50 on motor vehicle registrations specified in the Transportation Article, Section 13-954 of the Annotated Code of Maryland.<sup>1</sup> The surcharges are recorded on MVA records and transferred monthly to the COM with any accrued interest. The other source of MEMSOF revenue is the \$7.50 surcharge on certain driver moving violation fines specified in the Courts and Judicial Proceedings Article, Section 7-301 of the Annotated Code of Maryland. These surcharges are collected and recorded by the Judiciary and transferred at fiscal year-end to MVA, which transfers the funds to the COM. MEMSOF received total revenue of approximately \$97.9 million during fiscal year 2024 including \$70.5 million related to the aforementioned MVA surcharges and an additional \$25.5 million from the General Fund.<sup>2</sup>

### **MEMSOF Expenditures**

State law provides that MEMSOF shall be used to provide funding for the following five operations of Maryland's Emergency Medical Services (EMS) program and expenditures totaling approximately \$98.1 million were allocated to MEMSOF during fiscal 2024:

---

<sup>1</sup> Chapter 718, Laws of Maryland 2024, effective July 1, 2024 increased registration surcharges for vehicles to \$40 per year, of which up to \$24.50 shall be paid to MEMSOF.

<sup>2</sup> The April 2023 Joint Chairmen's Report included an additional \$25.5 million in general funds to MEMSOF for fiscal years 2024 and 2025 to provide additional funding to cover anticipated shortfalls in the MEMSOF for those same fiscal years.

### **Department of State Police – Aviation Command**

MEMSOF supports the medically oriented activities of the Maryland Department of State Police (DSP) – Aviation Command (MSPAC). MSPAC has both medically oriented and non-medically oriented functions (such as law enforcement and homeland security flights). DSP allocates MSPAC costs to MEMSOF based on the ratio of medically oriented functions to non-medically oriented functions. Since fiscal year 2003, MSPAC costs have been allocated 80 percent to MEMSOF (medically oriented) and 20 percent to General Fund appropriations (non-medically oriented). Based on our review of certain MSPAC data, this allocation appears to be reasonable. MEMSOF expenditures related to MSPAC totaled approximately \$45.2 million during fiscal year 2024.

### **Maryland Institute for Emergency Medical Services Systems**

The Maryland Institute for Emergency Medical Services Systems (MIEMSS) is responsible for coordinating the delivery of Statewide emergency medical services, licensing and certifying emergency medical service providers, providing emergency medical service research and education, maintaining a Statewide communication system, and regulating and licensing commercial ambulances. MEMSOF expenditures related to MIEMSS totaled approximately \$18.6 million during fiscal year 2024.

### **Senator William H. Amoss Fire, Rescue, and Ambulance Fund**

Title 8, Subtitle 1 of the Public Safety Article of the Annotated Code of Maryland established the Senator William H. Amoss Fire, Rescue, and Ambulance Fund (Amoss Fund) for grants to local jurisdictions for the purchase of fire and rescue equipment and building rehabilitation. The Maryland Department of Emergency Management (MDEM)<sup>3</sup> administers these grants. Funds from MEMSOF are provided to the Amoss Fund for MDEM to provide grants in accordance with the Public Safety Article. MEMSOF expenditures related to the Amoss Fund totaled \$15 million during fiscal year 2024.

### **Maryland Fire and Rescue Institute**

The Maryland Fire and Rescue Institute (MFRI) is the State's fire and emergency service training agency responsible for the majority of basic level pre-hospital training and education for EMS providers. MEMSOF funds are appropriated to MFRI as part of the University of Maryland, College Park budget. MEMSOF expenditures related to MFRI totaled approximately \$10.7 million during fiscal year 2024.

---

<sup>3</sup> Effective October 1, 2021, MEMA was renamed to be the Maryland Department of Emergency Management (MDEM) and established the MDEM as a principal department of the Executive Branch of State government.

### **R Adams Cowley Shock Trauma Center**

The R Adams Cowley Shock Trauma Center (STC), operated by the University of Maryland Medical System, is the core element of the State's EMS system and serves as the State's Primary Adult Resource Center for the treatment of trauma. MEMSOF funds are provided as an operating subsidy to STC through the Maryland Health Care Commission, a unit of the Maryland Department of Health. MEMSOF expenditures related to STC totaled approximately \$8.6 million during fiscal year 2024.

### **Audit Coverage**

The 2016 Joint Chairmen's Report required OLA to perform a financial audit of MEMSOF and expressed the intent of the General Assembly that MEMSOF be added to the standard audit cycle. A letter from the Joint Chairmen, dated May 6, 2016, clarified the periodic audits should primarily focus on year-end closeout transactions to ensure proper maintenance of the fund. As a result, our audit primarily focused on closeout transactions for fiscal years 2021, 2022, and 2023 at two agencies<sup>4</sup> using MEMSOF funds and COM's maintenance of the fund.

In addition, we performed certain additional testing for MSPAC such as of the cost allocation of expenditures between MEMSOF and the General Fund. Furthermore, we reviewed the MVA surcharges collected (which represented the largest source of revenue for the MEMSOF) and transferred to MEMSOF and the propriety of certain MEMSOF expenditures. Our audit did not include reviewing other aspects of these agencies which were subject to audit during our fiscal compliance audits of the respective agencies.

### **Status of Findings From Preceding Audit Report**

Our audit included a review to determine the status of the finding contained in our preceding audit report dated February 19, 2021. See Figure 1 for the results of our review.

---

<sup>4</sup> The remaining three agencies either did not have or did not require closeout transactions.

<b>Figure 1 Status of Preceding Findings</b>		
<b>Preceding Finding</b>	<b>Finding Description</b>	<b>Implementation Status</b>
Finding 1	The General Accounting Division (GAD) did not ensure agencies reverted unspent Maryland Emergency Medical System Operations Fund (MEMSOF) funds resulting in the failure to identify one agency that did not revert funds totaling \$697,000 during fiscal years 2018 and 2019.	Not repeated

## **Findings and Recommendations**

Our audit did not disclose any significant deficiencies in the design or operation of MEMSOF’s internal control. Our audit did not disclose any significant instances of noncompliance with applicable laws, rules, or regulations. Findings that did not warrant inclusion in this report were separately communicated to the MEMSOF.

A draft copy of this report was provided to the Comptroller of Maryland. Since there are no recommendations in this report, a written response was not necessary.

## **Audit Scope, Objectives, and Methodology**

We have conducted a fiscal compliance audit of the Maryland Emergency Medical System Operations Fund (MEMSOF) for the period beginning April 1, 2020 and ending March 31, 2024. State law designated the Comptroller of Maryland (COM) as the administrator of MEMSOF. Funds are collected by two agencies, the Motor Vehicle Administration (MVA) and the Judiciary, and funds are used by the five operations of Maryland’s Emergency Medical Services program:

- Maryland Department of State Police – Aviation Command (MSPAC)
- Maryland Institute for Emergency Medical Services Systems (MIEMSS)
- Senator William H. Amoss Fire, Rescue, and Ambulance Fund
- Maryland Fire and Rescue Institute
- R Adams Cowley Shock Trauma Center

The audit was conducted 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.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of a fiscal compliance audit are to examine financial transactions, records and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations. In planning and conducting our audit of MEMSOF, we focused our efforts on year-end closeout transactions and COM – Administration and Finance Division processes in place to account for and maintain the fund as directed by a letter from the Joint Chairmen, dated May 6, 2016.

Based on our assessment of significance and risk, we also performed certain additional testing. Our audit did not include reviewing other aspects of these operations which were subject to audit during our fiscal compliance audits of the respective agencies.

Our assessment of internal controls was based on agency procedures and controls in place at the time of our fieldwork. Our tests of transactions and other auditing procedures were generally focused on the transactions occurring during our audit period of April 1, 2020 to March 31, 2024 but may include transactions before or after this period as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspection of documents and records, tests of transactions, and to the extent practicable, observations of the respective agencies' operations. Generally, transactions were selected for testing based on auditor judgement, which primarily considers risk, the timing or dollar amount of the transaction, or the significance of the transaction to the area of operation reviewed. As a matter of course, we do not normally use sampling in our tests, so unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the State's Financial Management Information System (such as revenue and expenditure data). The extracts are performed as part of ongoing internal processes

established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from these sources were sufficiently reliable for the purposes the data were used during this audit.

We also extracted data from MVA's vehicle registration system used to collect vehicle registration surcharge. We performed various tests of the relevant data and determined that the data were sufficiently reliable for the purposes the data were used during the audit. Finally, we performed other auditing procedures that we considered necessary to achieve our objectives. The reliability of data used in this report for background or informational purposes was not assessed.

Each agency's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records; effectiveness and efficiency of operations including safeguarding of assets; and compliance with applicable laws, rules, and regulations are achieved. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to the agencies, were considered by us during the course of this audit.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

AUDIT TEAM

**Bekana Edossa, CPA, CFE**  
Audit Manager

**Sporthi J. Carnelio**  
Senior Auditor

**Daniel G. Johnson, CFE**  
Staff Auditor