

B40598

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF
EMERGENCY MEDICAL AMBULANCE SERVICE
PULASKI COUNTY, INDIANA
January 1, 2011 to December 31, 2011



FILED
07/20/2012

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Emergency Medical Ambulance Service Director	Larry Brock Jason Rogers (Interim) Nicole Lowry	01-01-11 to 04-18-11 04-19-11 to 06-26-11 06-27-11 to 12-31-12
County Auditor	Shelia Garling	01-01-09 to 12-31-12
President of the County Council	Jerry Sullivan	01-01-11 to 12-31-12
President of the Board of County Commissioners	Michael Tiede	01-01-11 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF PULASKI COUNTY

We have audited the records of the Emergency Medical Ambulance Service for the period from January 1, 2011 to December 31, 2011, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Pulaski County for the year 2011.

STATE BOARD OF ACCOUNTS

June 4, 2012

EMERGENCY MEDICAL AMBULANCE SERVICE
PULASKI COUNTY
AUDIT RESULTS AND COMMENTS

BAD DEBTS AND UNCOLLECTIBLE ACCOUNTS

Accounts receivable for ambulance run billings due to the Emergency Medical Ambulance Service (EMS) department are being written off without a written policy stating the criteria for the write-offs.

The governing body of a governmental unit should have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balances.

Documentation should exist for all efforts made by the governmental unit to collect amounts owed prior to any write-offs.

Officials or employees authorizing, directing or executing write-offs or adjustments to records which are not documented or warranted may be held personally responsible. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not being completed timely during the audit period. At December 31, 2011, the Emergency Medical Ambulance Service bank account balance exceeded the book balance by \$2,592.36. A similar comment was contained in the prior Report B38743.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

EMERGENCY MEDICAL AMBULANCE SERVICE
PULASKI COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

REPORTS OF COLLECTION NOT FILED

The Emergency Medical Ambulance Service (EMS) department is not submitting prescribed form 361, Report of Collection, when remitting their monthly collections to the County Auditor. Amounts are being remitted monthly but do not always agree to the total monthly collections per EMS records.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 4)

INTERNAL CONTROLS

Controls over the receipting, disbursing, recording, and accounting for the financial activities of the Emergency Medical Ambulance Service (EMS) department were insufficient. The EMS office has a bookkeeper who completes all financial functions including receiving payments, entering payments into the computer, making bank deposits, posting to patient accounts, the write-off of patient account balances, and reconciling the bank account. The bookkeeper also writes checks, although these do require a second signature from the County Auditor. The EMS Director does not appear to handle, or approve, any of these functions.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

EMERGENCY MEDICAL AMBULANCE SERVICE
PULASKI COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 4, 2012, with Michael Tiede, President of the Board of County Commissioners; Jerry Sullivan, President of the County Council; and Shelia Garling, County Auditor. A separate exit conference was held with Nicole Lowry, Emergency Medical Ambulance Service Director. The officials concurred with our audit findings.