

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

EXAMINATION REPORT
OF
COUNTY EMERGENCY MANAGEMENT SERVICES
CARROLL COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
10/25/2007

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Beth L. Myers	01-01-03 to 12-31-10
EMS Director	Michael Durr	01-01-06 to 12-31-07
President of the County Council	Robert Baker	01-01-06 to 12-31-07
President of the Board of County Commissioners	William R. Brown Loren Hylton	01-01-06 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA
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TO: THE OFFICIALS OF CARROLL COUNTY

We have examined the records of the County Emergency Management Services for the period from January 1, 2006 to December 31, 2006, 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 Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Carroll County for the year 2006.

STATE BOARD OF ACCOUNTS

August 8, 2007

COUNTY EMERGENCY MANAGEMENT SERVICES
CARROLL COUNTY
EXAMINATION RESULTS AND COMMENTS

ACCOUNTS RECEIVABLE - AMBULANCE BILLING

The accounts receivable balance for ambulance billings was \$709,190 at December 31, 2006. A comparison of collections to billings showed a significant number of accounts not being paid or not being paid on a timely basis. The accounts receivable balance has increased 37% from the prior year. The collections for 2006 decreased when compared to 2005 collections, from \$290,315 to \$211,502. Financial records presented for examination were incomplete and it is not clear that all accounts have been properly billed. No evidence was presented for examination to show that there has been any follow-up done on the accounts billed when payment has not been received.

The officials should establish controls to ensure that billings are completed in a timely manner and that follow-up is made on all outstanding accounts. A review of these accounts should be made on a monthly basis to determine that all procedures are being followed.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

CONDITION OF RECORDS

The following recordkeeping deficiencies were encountered while examining the records of the County Emergency Management Services (EMS) for the period ending December 31, 2006:

- (1) Financial records were incomplete and did not accurately reflect all of the activity of the EMS. The financial records presented did not always agree with detail records in the Auditor's office. Billing appears to be done in a haphazard manner and there is evidence that not all services are billed or are not billed timely. At December 31, 2006, there were only a few, if any, claims for services provided during the last quarter of the year. Invoices were observed to be dated as long as six months after the date of service. Reliance on the accuracy of the individual accounts at December 31, 2006, was not possible.
- (2) The balance of accounts receivable at December 31, 2006 and December 31, 2005, were \$709,189.96 and \$514,029.84, respectively. This represented an increase in the balance of approximately 37%. Collections decreased by \$78,814 between the two years.
- (3) We could not find any evidence that individual customers were billed for amounts due that were not paid by insurance carriers. We could not find evidence that all payments due from Medicare and Medicaid were billed timely.
- (4) The accounting records used had not been prescribed or approved by the State Board of Accounts.

At all times, the manual and/or computerized records, subsidiary ledgers and control ledger should agree. If the reconciled 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, Chapter 1)

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 Counties, Chapter 1)

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, Chapter 1)

COUNTY EMERGENCY MANAGEMENT SERVICES
CARROLL COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 5, 2007, with Beth L. Myers, Auditor; Loren Hylton, President of the Board of County Commissioners; Robert Baker, President of the County Council; Michael Durr, EMS Director; and Ann Brown and Ron Slavins, County Council Members. The officials concurred with our examination findings.