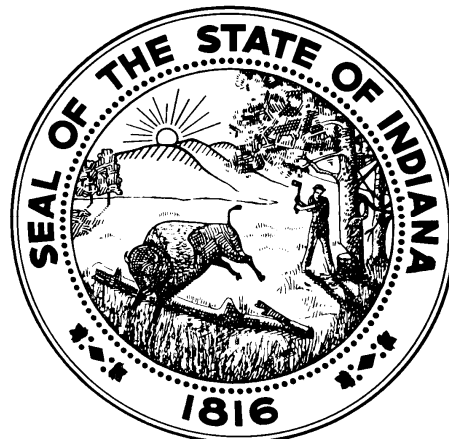


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

AUDIT REPORT  
OF  
COUNTY EMERGENCY MEDICAL SERVICES  
DELAWARE COUNTY, INDIANA  
January 1, 2007 to December 31, 2007



**FILED**  
09/30/2008



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COUNTY OFFICIALS

| <u>Office</u>                                     | <u>Official</u> | <u>Term</u>          |
|---|-----------------|----------------------|
| Director  | Tim Hutson      | 01-01-07 to 12-31-08 |
| President of the<br>County Council                | Bradley Bookout | 01-01-07 to 12-31-08 |
| President of the Board of<br>County Commissioners | John Brooke     | 01-01-07 to 12-31-08 |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF DELAWARE COUNTY, INDIANA

We have audited the records of the County Emergency Medical Services for the period from January 1, 2007 to December 31, 2007, 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 Delaware County for the year 2007.

STATE BOARD OF ACCOUNTS

July 24, 2008

COUNTY EMERGENCY MEDICAL SERVICES  
DELAWARE COUNTY  
AUDIT RESULTS AND COMMENTS

CONDITION OF RECORDS

Financial records presented for audit were incomplete and not reflective of the activity of the Emergency Medical Services (EMS) accounts receivable balances at December 31, 2007. The records presented did not provide sufficient information to audit or establish beginning balances, receipts, disbursements, ending balances, or the accuracy or correctness of the transactions. Management has not met with their accounts receivable service provider, Ambulance Reimbursement Systems (ARS), to determine the necessary computerized records needed for a detailed accounts receivable listing and records to reconcile to the bank.

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, 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)

BAD DEBTS AND UNCOLLECTIBLE ACCOUNTS

Accounts receivable for emergency medical service billings were deleted from the records without approval of the Board of County Commissioners. Additionally, documentation was not presented for audit concerning unsuccessful collection procedures prior to adjustments of the records.

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, Chapter 1)

COUNTY EMERGENCY MEDICAL SERVICES  
DELAWARE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

INTERNAL CONTROLS

Controls over the receipting, recording, and accounting for the financial activities were insufficient as described below:

1. Bank reconcilements were not being performed.
2. The following detail of transactions was requested from the ambulance billing company (ARS) but did not balance to the totals shown in year end reports:
  - a. Contractual Allowances;
  - b. Revenue Adjustments;
  - c. Payments;
  - d. Write-offs; and
  - e. Refunds.
3. An Accounts Receivable Control was not maintained.

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 MEDICAL SERVICES  
DELAWARE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 24, 2008, with Tim Hutson, Director; and Cathy Miller, Bookkeeper. The official response has been made a part of this report and may be found on page 7.

The contents of this report were discussed on August 25, 2008, with John Brooke, President of the Board of County Commissioners; and Bradley Bookout, President of the County Council.



**DELAWARE  
COUNTY  
EMERGENCY  
MEDICAL  
SERVICE**

State Board of Accounts  
Response to Preliminary Exit Conference

During exit conference areas discussed on financial records presented for audit:

- \* Write off's
- \* Accounts Receivable

As stated last year, information requested by State Board of Accounts was unable to be answered by myself. I made contact with Ambulance Reimbursement Systems, Inc and facilitated phone conversations between State Board of Accounts and Ambulance Reimbursement Systems, Inc. Ambulance Reimbursement Systems, Inc. has implied to me that they told State Board of Accounts they could create any reports needed, but that they were unable to ascertain exactly what State Board of Accounts wanted.

Also, it was brought up that the bank account was not being reconciled and Bill Vinson made a visit to our station at 401 E. Jackson and demonstrated what State Board of Accounts needed. From that point forward we have performed bank statement reconciliations as instructed by Bill Vinson.

At this year's audit we again find we are not in compliance with State Board of Accounts requests.

I want to make it clear that Delaware County Emergency Medical Service wishes to comply 100% with the requests of the State Board of Accounts, but someone with the State Board of Accounts has to decide what is needed and work with our billing company, Ambulance Reimbursement Systems, Inc to explain those needs.

To that end we have requested ARS to attend a meeting tentatively scheduled for August 21, 2008. We plan to invite a county commissioner and would like to see Bill Vinson also attend.

We are hoping that during this meeting all parties will understand what reports are available or be created to meet the State Board of Accounts requests to their full satisfaction.

Thank you,

Tim Hutson, EMT-P  
Executive Director

401 East Jackson Street  
Muncie, IN 47305  
Phone (765) 747-7790  
Fax (765) 747-7761  
ems@co.delaware.in.us