



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

EDWARD A. DION, CPA
COUNTY AUDITOR
edion@epcounty.com
www.epcounty.com/auditor

County Administrative Offices
800 East Overland Street, Rm. 406
EL PASO, TEXAS 79901-2407
(915) 546-2040
(915) 546-8172 FAX

01-08

January 3, 2020

Ms. Betsy C. Keller
Chief Administrator
County Administration Office
500 E. San Antonio, Room 302A
El Paso, Texas 79901

Dear Ms. Keller:

The County Auditor's Internal Audit division performed an audit of the contractual agreement between El Paso County and Life Ambulance Services to determine if internal controls are adequate to ensure proper preparation and documentation of financial and operational reports and to ensure contractual compliance. Policies, procedures, and regulations were also reviewed to ensure processes are documented, operating and efficient.

The audit report is attached. We tested five operational and two financial controls with a total of 213 samples. There was one finding noted as a result of the audit procedures. We wish to thank the management and staff of Life Ambulance Services for their assistance and courtesies extended during this audit.

Because of certain statutory duties required of the County Auditor, this office is not independent in regard to your office, as defined by AICPA professional standards. However, our audit was performed with objectivity and due professional care.

Respectfully,

Barbara Stanco for Edward A. Dion

Edward A. Dion
County Auditor

EAD:PT:JO:ya

cc: Mr. Howard Enloe, CEO, Life Ambulance Services



LIFE AMBULANCE SERVICES EXECUTIVE SUMMARY



BACKGROUND

Life Ambulance is a privately owned company who has contracted with the County of El Paso to provide emergency ambulance services to unincorporated and incorporated areas of El Paso County. This applies to all unincorporated areas except for the area known as Transmountain and the wilderness area associated with it. The covered area measures approximately 764 square miles and has a population of approximately 131,000 as of January 2018. There are five remote stations located throughout the area outside of the City of El Paso, with a full-time dispatch center located within the City of El Paso. The renewed contractual agreement commenced as of February 1, 2019, and shall expire on the 31st day of January, 2022 with an option to renew for additional three year terms following the expiration of the initial term. A limited scope review was last performed on September 26, 2013. The current audit was performed by Phillip Trevizo, internal auditor - intermediate and James O'Neal, internal audit manager - senior.

OBJECTIVES

The audit evaluated the adequacy of controls and processes used to achieve key business objectives related to Life Ambulance Services. Following are the business objectives and related control assessment.

Business Objective	Control Assessment
1. Establish and document protocols, policies and procedures	Satisfactory
2. Proper financial records submission	Satisfactory
3. Reasonable fee assessment and invoice submission	Satisfactory
4. Personnel employment contractual and statutory compliance	Satisfactory
5. Proper submission of contractually required certificate of insurance	Satisfactory
6. Contractual compliance of station average response times	Satisfactory
7. Contractual and statutory compliance of ambulance vehicle maintenance and medical supply checklists	Needs Improvement

SCOPE

The scope of the audit is February 2018 through August 2019.

METHODOLOGY

To achieve the audit objectives we:

- Requested and reviewed documented protocols, policies and procedures.
- Reviewed submitted financial statements of emergency services operations for Life Ambulance for reasonableness and business continuity.
- Reviewed a sample of monthly invoices submitted for County payment and Daily Charge Reports to ensure reasonability of fees assessed.
- Reviewed a sample of employee files to ensure contractual and Texas Administrative Code, Title 25, Chapter 157.11 (25 TAC 157.11) statutory compliance.
- Requested and reviewed contractually required insurance certificate submission
- Reviewed a sample of monthly Response Time Reports to ensure average response times are within contractual compliance.
- Reviewed a sample of ambulance vehicle maintenance and medical supply checklists to ensure contractual and 25 TAC 157.11 statutory compliance.

RESULTS

Listed below are control and finding summaries, with findings listed from highest to lowest risk. Please see the *Findings and Action Plans* section of this report for related details and management action plans.



LIFE AMBULANCE SERVICES EXECUTIVE SUMMARY



Control Summary	
Good Controls	Weak Controls
<ul style="list-style-type: none"> Established and documented protocols, policies and procedures (Obj. 1) Financial record maintenance and submission (Obj. 2) Fee assessment and invoice submission (Obj. 3) Employment contractual and 25 TAC 157.11 statutory compliance (Obj. 4) Proper insurance certification submission (Obj. 5) Average response time contractual compliance (Obj. 6) 	<ul style="list-style-type: none"> Ambulance vehicle maintenance and medical supply checklist contractual and statutory 25 TAC 157.11 compliance (Obj. 7)
Finding Summary	
<ol style="list-style-type: none"> 1. Medical supply and vehicle maintenance checklists did not meet contractual and statutory 25 TAC 157.11 compliance. 	

INHERENT LIMITATIONS

This contract compliance review was designed to provide reasonable assurance that the internal control structure is adequate for Life Ambulance to provide contracted emergency services to the County of El Paso. Life Ambulance's internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of implementing the controls should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires the use of estimates and judgment by management. Because of the inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected.

CONCLUSION

The contractual agreement between El Paso County and Life Ambulance Services review met six of the seven objectives of this audit. Implementation of recommendations provided in this report should assist in improving the internal control structure of its operations.



LIFE AMBULANCE SERVICES EXECUTIVE SUMMARY



Prior Audit Findings

The previous limited scope review had no findings.

Current Audit Findings & Action Plans

Finding #1		Risk Level M									
<p>Vehicle Maintenance and Medical Supply Checklist Compliance – Per Texas Administrative Code Chapter 25, section 115.11 and section four of the contractual agreement all Emergency Medical Services (EMS) vehicles must have a complete equipment list with the medical director’s approved signature. Further, a signed daily vehicle review and maintenance checklist must accompany all EMS vehicles before usage. Of the 90 sampled vehicle supply and maintenance checklists the following was noted:</p> <ul style="list-style-type: none"> • Six (7%) EMS supply checklists did not have the required medical director’s approved signature • Twenty (22%) EMS supply checklists had the required medical director’s approval signature with an effective date not yet valid. • One (1%) of the vehicle review and maintenance checklists did not have the reviewer’s signature <p>The lack of properly documented supply and vehicle checklists increases the risk of statute and contractual noncompliance. Furthermore, it increases the risk of EMS vehicles not being properly stocked while providing emergency services for the County of El Paso.</p>											
<p>Recommendation</p> <p>Life Ambulance Services should stress to staff the importance of proper checklist review and documentation. This could be accomplished through additional training and periodic review of statute 25 TAC 157.11.</p>											
<p>Action Plan</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Person Responsible</th> <th style="width: 25%;">Life Ambulance Management</th> <th style="width: 25%;">Estimated Completion Date</th> <th style="width: 25%;">02/29/2020</th> </tr> </thead> <tbody> <tr> <td colspan="4"> <ul style="list-style-type: none"> • <i>Six (7%) EMS supply checklists did not have the required medical director’s approved signature</i> These checklist were generated from our software and apparently the vendor did not scan the physician signature as part of the form. The vendor has been contacted to correct this error. Estimated completion date is February 29, 2020. • <i>Twenty (22%) EMS supply checklists had the required medical director’s approval signature with an effective date not yet valid.</i> The new forms were created and sent to each station prior to the effective date during a procedural change. Unfortunately, some employees did not check the date and used the new form instead of the current form. This issue has been resolved as the form is now generated in the new software. • <i>One (1%) of the vehicle review and maintenance checklists did not have the reviewer’s signature.</i> A reminder was sent to all employees to make certain the forms are signed upon completion. </td> </tr> </tbody> </table>				Person Responsible	Life Ambulance Management	Estimated Completion Date	02/29/2020	<ul style="list-style-type: none"> • <i>Six (7%) EMS supply checklists did not have the required medical director’s approved signature</i> These checklist were generated from our software and apparently the vendor did not scan the physician signature as part of the form. The vendor has been contacted to correct this error. Estimated completion date is February 29, 2020. • <i>Twenty (22%) EMS supply checklists had the required medical director’s approval signature with an effective date not yet valid.</i> The new forms were created and sent to each station prior to the effective date during a procedural change. Unfortunately, some employees did not check the date and used the new form instead of the current form. This issue has been resolved as the form is now generated in the new software. • <i>One (1%) of the vehicle review and maintenance checklists did not have the reviewer’s signature.</i> A reminder was sent to all employees to make certain the forms are signed upon completion. 			
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