

EMS AGREED-UPON PROCEDURES

BRYAN COUNTY AMBULANCE AUTHORITY

For the period July 1, 2006 through June 30, 2008



*Independently serving the citizens of
Oklahoma by promoting the
accountability and fiscal integrity of
governmental funds.*



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

**BRYAN COUNTY AMBULANCE AUTHORITY
AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD JULY 1, 2006 THROUGH JUNE 30, 2008**

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Oklahoma State Auditor & Inspector

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January 27, 2011

TO THE BOARD OF TRUSTEES OF THE
BRYAN COUNTY AMBULANCE AUTHORITY

Transmitted herewith is the agreed-upon procedures report for the Bryan County Ambulance Authority for the period July 1, 2006 through June 30, 2008. The Office of the State Auditor and Inspector is committed to serving the public interest by providing independent oversight and by issuing reports that serve as a management tool to the State. Our goal is to ensure a government that is accountable to the people of the State of Oklahoma.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of our engagement.

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones". The signature is fluid and cursive.

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR



Oklahoma State Auditor & Inspector

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

TO THE BOARD OF TRUSTEES OF THE
BRYAN COUNTY AMBULANCE AUTHORITY

We have performed the procedures enumerated below, which were agreed to by management of the Bryan County Ambulance Authority (the Authority), solely to assist you in evaluating the receipt and disbursement process, the safeguarding of capital assets, and in determining whether selected receipts and disbursements are supported by underlying records for the period July 1, 2006 through June 30, 2008. This agreed-upon procedures engagement was conducted in accordance with standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We observed whether receipting, depositing, and reconciling functions are performed by separate employees.

Finding: The receiving, receipting, recording, and depositing functions within the Authority office were not performed by separate employees.

2. We randomly selected 10 runs from the dispatch log book in order to:
 - A. Trace to the run sheet.
 - B. Agree fee charged to fee schedule.
 - C. Trace run number to the billing records.
 - D. If a payment was received:
 - i. Trace receipt number from billing records to receipt.
 - ii. Trace receipt to deposit slip.
 - iii. Agree cash/check composition of deposits to the receipts issued.
 - iv. Examine receipts to determine they are pre-numbered and issued in numerical order.
 - v. Agree date of receipts to date of deposit slip.
 - vi. For any voided receipts, observe the original receipt.
 - E. If no payment was received:
 - i. Observe second billing and/or list sent to collection agency if no payment was received.
 - ii. Observe Authority Board authorization in the Board minutes if the amount was written off.

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Finding: The following was noted:

- With respect to procedure D.iv, receipts were not issued in numerical sequence.
- With respect to procedure D.vi, there was one voided receipt for which the original receipt could not be located.

With respect to applying the remaining procedures, there were no findings.

3. We agreed all bank reconciliations performed during the year to the financial records.

There were no findings as a result of applying the procedures.

4. We confirmed with financial institutions all cash and cash equivalent balances and investment balances as of June 30.

There were no findings as a result of applying the procedures.

5. We calculated 100% of the Authority's cash/cash equivalents in each financial institution and compared it to the fair market value of each financial institution's pledged collateral.

There were no findings as a result of applying the procedures.

6. We traced amounts of ad valorem taxes remitted from the County Treasurer to the Authority to Authority deposit slips.

There were no findings as a result of applying the procedures.

7. We observed whether receiving goods and services, preparing claims, and issuing payments are performed by separate employees.

Finding: The receiving of goods and services, preparation of claims, and issuing payment functions within the Authority office were not performed by separate employees.

8. We randomly selected 25 checks in order to:
 - A. Agree to invoices.
 - B. Agree payee on cancelled check to vendor on invoice.
 - C. Inspect the receiving report/invoice for signature of Authority employee who verified goods and/or services were received.
 - D. Trace claim approval to Authority Board minutes.
 - E. Determine expenditure was for the support, organization, operation and maintenance of the Authority.

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Finding: The following was noted:

- With respect to procedure A and B, three checks had purchase orders with no supporting documentation attached.
- With respect to procedure C, nine checks did not have a corresponding receiving report or invoice with an employee signature indicating the goods had been received by the Authority.
- With respect to procedure E, four checks were for expenditures that did not appear to be for the support, organization, operation and maintenance of the Authority.

With respect to applying procedure D, there were no findings.

9. We selected five payroll checks in order to:
- A. Agree number of hours documented on timesheet to number of hours paid.
 - B. Agree withholding to supporting documentation.
 - C. Trace claim approval to the Board minutes.

Finding: With respect to procedure B, the Authority does not maintain supporting documentation for all withholdings that are taken out of each employee's check.

With respect to applying procedures A and C, there were no findings.

10. We observed each Board member's Official Bond.

Finding: The Authority did not have the required individual bonds for each Board member.

11. For a third-party contract for ambulance services:
- A. We obtained a copy of the contract and determined procedures to be performed.
 - B. We observed that the contract was approved by the Board for the current year and was for a specific amount.
 - C. We determined if the Authority paid the Providers in accordance with the contract.

There were no findings as a result of applying the procedures.

12. We selected one payroll period in order to:
- A. Observe whether all employees prepared timesheets.
 - B. Inspect timesheets for signatures of employees and supervisors.

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Finding: The following was noted:

- With respect to procedure B, we noted the following:
 - For the June 20, 2007 payroll, 3 out of 28 timesheets did not have employee signatures. None of the 28 timesheets had been signed by a supervisor.
 - For the June 20, 2008 payroll, 5 out of 27 timesheets did not have employee signatures. None of the 28 timesheets had been signed by a supervisor.

With respect to applying procedure A, there were no findings.

13. We randomly selected 5 employees from the payroll records in order to:
 - A. Compare leave amounts earned to the Authority policy for earning leave.
 - B. Compare leave balances to the Authority policy for limitations on leave balances.
 - C. Trace annual leave used on the employee's timesheet (or payroll claim) to the respective monthly leave balance report.

Finding: The following was noted:

- With respect to procedures A and B, the Authority's leave balance records do not indicate accruals or the ending balance for annual leave and sick leave.
- With respect to procedure C, used leave reported on the 5 selected employees' time cards was not accurately reflected in the Authority's leave balance records.

14. Observe the publication notice of the Authority's Estimate of Needs. Additionally, observe whether all schedules in the Estimate of Needs were completed and the publication notice was printed in a county-wide newspaper.

Finding: The Authority did not appropriate the mandatory one-tenth mill to the audit budget account.

15. Observe the Authority's policy regarding safeguarding of capital assets in order to:
 - A. Confirm the existence of an equipment inventory list.
 - B. Visually verify the existence of 10 items from the inventory list.
 - C. Verify all ambulances on the inventory list for existence.

Finding: With respect to procedure A, the Authority does not maintain an accurate and complete equipment inventory list.

With respect to applying procedures B and C, there were no findings.

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16. Select 5 items requiring bids (greater than \$7,500) in order to:
- A. Observe proof of publication of bid.
 - B. Observe justification and approval of awarding the bid to a bidder other than the lowest bidder in the Authority Board minutes.

Finding: With respect to procedure A, the Authority did not publish a request for bids for ambulances and cots that were purchased.

With respect to applying procedure B, there were no findings.

17. Observe insurance policies for the existence of coverage of capital assets.

There were no findings as a result of applying the procedures.

We were not engaged to, and did not, conduct an examination or a review, the objective of which would be the expression of an opinion or limited assurance on the receipt and disbursement process, the safeguarding of capital assets, and the determination of whether selected receipts and disbursements are supported by underlying records for the Authority. Accordingly, we do not express such an opinion or limited assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Trustees, Excise Board, and Legislative Officials and should not be used for any other purpose. This report is also a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.), and shall be open to any person for inspection and copying.



GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

December 13, 2010



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