

**BUFFALO
EMERGENCY
MEDICAL SERVICE
DISTRICT**

**FOR THE FISCAL YEAR ENDING
JUNE 30, 2008**

AGREED-UPON PROCEDURES REPORT



Oklahoma State Auditor
& Inspector

**BUFFALO EMERGENCY MEDICAL SERVICE DISTRICT
AGREED-UPON PROCEDURES REPORT
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

This publication is printed and issued by the State Auditor and Inspector as authorized by Article 10, § 9C (i) of the Oklahoma Constitution and as defined by 19 O.S. § 1704.3. Pursuant to 74 O.S. § 3105.B, ten (10) copies have been prepared and distributed at a cost of \$24.22. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

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Chief Deputy



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February 12, 2009

TO THE BOARD OF TRUSTEES OF THE
BUFFALO EMERGENCY MEDICAL SERVICE DISTRICT

Transmitted herewith is the agreed-upon procedures report for the Buffalo Emergency Medical Service District for the fiscal year ending 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 "Steve Burrage". The signature is written in a cursive, flowing style.

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

**BUFFALO EMERGENCY MEDICAL SERVICE DISTRICT
FOR THE FISCAL YEAR ENDING JUNE 30, 2008**

INTRODUCTION

Article 10, § 9C of the Oklahoma Constitution authorized the formation of emergency medical service districts and initially authorized a tax levy not to exceed 3 mills for the purpose of providing funds for the purpose of support, organization, operation, and maintenance of district ambulance services. District voters approved the formation of the District and a 3 mills ad valorem levy to support the operation of the District. The Buffalo Emergency Medical Service District is comprised of Buffalo School District I-4 in Harper County and was created to provide ambulance service to all citizens in that district.

Emergency medical service districts are governed by a board of trustees. The board of trustees (the board) has the power to hire a manager and other personnel, contract, organize, maintain, or otherwise operate the emergency medical service district. The trustees must act as a board when entering into contracts or other agreements affecting the district's welfare. Thus, actions taken by the board are voted on and approved by a majority of the trustees. The board of trustees' business meetings are open to the public. The board shall have the capacity to sue and be sued but shall enjoy immunity from civil suits for actions or omissions arising from the operation of the district. Such districts have the authority to charge fees for services, and accept gifts, funds, or grants.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

TO THE BOARD OF TRUSTEES OF THE
BUFFALO EMERGENCY MEDICAL SERVICE DISTRICT

We have performed the procedures enumerated below, which were agreed to by management of the Buffalo Emergency Medical Service District (the District), 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 fiscal year ending 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. Observe whether receipting, depositing, and reconciling functions are performed by separate employees.

Finding: The receipting, depositing, and reconciling functions were not properly segregated to assure adequate internal control structure.

Recommendation: OSAI recommends management be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. The most effective controls lie in management's knowledge of office operations and periodic review of operations.

Views of responsible officials and planned corrective actions: Management concurs with recommendation and has hired a second employee to segregate duties properly.

2. We randomly selected 15 runs from the dispatch log book and:
 - A. Traced to the run sheet.
 - B. Agreed fee charged to fee schedule.
 - C. Traced run to billing records.
 - D. Traced receipt number from billing records to receipt.

- E. Traced receipt to deposit slip.
- F. Agreed cash/check composition of deposits to the receipts issued.
- G. Examined receipts to determine they are pre-numbered and issued in numerical order.
- H. Agreed date of receipts to date of deposit slip.
- I. For any voided receipts, observed the original receipt.
- J. Observed second billing and or list sent to collection agency if no payment was received.
- K. Observed District Board authorization in the Board minutes if the amount was written off.

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

- 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 traced amounts of ad valorem taxes remitted from the County Treasurer to the District to District deposit slips.

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

- 6. We reconciled revenues as reported on the District's Estimate of Needs to the deposits listed on the bank statements for the fiscal year.

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

- 7. We performed a cash count of the District's receipts on hand at the beginning of fieldwork.

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

- 8. Obtain bank records of checks, money orders, cash-in tickets, and EFT items of deposit to compare with receipts to determine the length of time between receipt at the District and deposit at the bank.

Finding: Deposits were made in a timely manner; however, we noted the following:

- 1. Four checks deposited did not have a corresponding receipt.
- 2. Three EFT deposits did not have a corresponding receipt.
- 3. One deposit was miscalculated, but was corrected by the bank.

Recommendation: OSAI recommends each deposit have a corresponding receipt, to ensure the District's funds are safeguarded.

Views of responsible officials and planned corrective actions: Management concurs with the finding and will issue pre-numbered duplicate receipts.

9. Observe whether receiving goods and services, preparing claims, and issuing payments are performed by separate employees.

Finding: The receiving of goods and services, preparing claims, and issuing payments were not properly segregated to assure adequate internal control structure.

Recommendation: OSAI recommends management be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. The most effective controls lie in management's knowledge of office operations and periodic review of operations.

Views of responsible officials and planned corrective actions: Management concurs with the recommendation and will establish procedures to indicate receiving of goods and services.

10. We reconciled checks issued, as reported on the District's Estimate of Needs, to the total of the debits listed on the bank statements for the fiscal year.

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

11. We reviewed the District's check register for comparison with total checks issued; to identify missing and/or voided checks and obtained the disposition of missing or voided checks.

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

12. Randomly select 20 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 District employee who verified goods and/or services were received.
- D. Trace claim approval to District Board minutes.

Finding: There were two instances where there was no indication that goods/services were received.

Recommendation: OSAI recommends management be aware of this condition and establish policy and procedures to indicate the receipt of goods and services by initialing and dating invoices prior to payment.

Views of responsible officials and planned corrective actions: Management concurs with recommendations and will establish procedures to indicate receiving of goods and services.

With respect to the procedures A, B and D, there were no findings.

13. We observed each Board member's coverage for Official Bond was included in the District's insurance policy.

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

14. We randomly selected one payroll period and:
- A. Observed whether all employees prepared timesheets.
 - B. Inspected timesheets for signatures of employees and supervisors.

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

15. We observed the publication notice of the District's Estimate of Needs and whether the District's expenditures exceeded its appropriations in budget category.

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

16. We observed:
- A. the existence of an equipment inventory list.
 - B. documentation of the conduct of a physical inventory.

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

17. We selected items requiring bids (greater than \$7,500) and:
- A. Observed proof of publication of bid.
 - B. Observed justification and approval of awarding the bid to a bidder other than the lowest bidder in the District board minutes.

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

18. We observed 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 cash, receipts, disbursements, personnel costs, capital assets, and long-term debt for the District. 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.



STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

October 22, 2008



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