

# CASHION 522 AMBULANCE SERVICE

FOR THE PERIOD JULY 1, 2006  
THROUGH JUNE 30, 2008

# EMS AGREED-UPON PROCEDURES



Oklahoma State Auditor  
& Inspector

**CASHION 522 AMBULANCE SERVICE  
AGREED-UPON PROCEDURES REPORT  
FOR THE PERIOD JULY 1, 2006 THROUGH 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

MICHELLE R. DAY, ESQ.  
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 [www.sai.ok.gov](http://www.sai.ok.gov)

November 6, 2008

TO THE BOARD OF TRUSTEES OF THE  
CASHION 522 AMBULANCE SERVICE

Transmitted herewith is the agreed-upon procedures report for the Cashion 522 Ambulance Service 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 "Steve Burrage". The signature is written in a cursive, flowing style.

STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

**CASHION 522 AMBULANCE SERVICE  
FOR THE PERIOD JULY 1, 2006 THROUGH 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 three (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 three (3) mills levy to support the operation of the District. With the repeal of personal property tax, the millage with the adjustment factor is now 2.09 mills. The Cashion 522 Ambulance Service is comprised of Kingfisher, Logan, and Canadian Counties and was created to provide ambulance service to all citizens.

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.

**CASHION 522 AMBULANCE SERVICE  
BOARD OF TRUSTEES  
JUNE 30, 2008**

---

CHAIRMAN

Charles Kordis

MEMBERS

Johnny Jirik – Vice-Chairman

Christy Taylor - Secretary

Terri Jech – Treasurer

Bruce Temple - Member

ADMINISTRATOR

Danny Clark

ASSISTANT ADMINISTRATOR

Stephanie Clark

# STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA  
State Auditor

MICHELLE R. DAY, ESQ.  
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

TO THE BOARD OF TRUSTEES OF THE  
CASHION 522 AMBULANCE SERVICE

We have performed the procedures enumerated below, which were agreed to by management of the Cashion 522 Ambulance Service (the Service), 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. Confirm with financial institutions all cash and cash equivalent balances and investment balances as of June 30.

**Finding:** It was noted the bank confirmed that the signature card included the signature of a former Board member, but did not include a current Board member who had co-signed checks.

**Recommendation:** OSAI recommends the Service update the bank signature card as Board members are added or resign.

**Views of responsible officials and planned corrective actions:** Discussed with bank officials and new bank cards will be issued with each new member.

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

2. We agreed all bank reconciliations performed during the period July 1, 2006 through June 30, 2008, to the financial records.

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

3. Compare the Service cash/cash equivalents in each financial institution to the fair market value of each financial institution's pledged collateral at January and June.

**Finding:** The Service checking account balance for January and June was below the FDIC coverage. However, it was noted in the bank reconciliations from July 11, 2007 through July 19, 2007, the checking account was over the FDIC limit of \$100,000.00 and the bank did not have collateral for this account.

**Criteria:** Title 62 O.S. § 511 states, "Any custodian of public funds of any kind or character, required by law to secure proper collateral before depositing public funds in a bank or trust company, shall hereafter, in depositing public funds in a bank or trust company whose deposits are insured by the Federal Deposit Insurance Corporation, be required to secure proper collateral only for sums deposited in excess of the amount of deposit insured by such Federal Deposit Insurance Corporation."

**Recommendation:** OSAI recommends the Service secure proper collateral as indicated in 62 O.S. §511.

**Views of responsible officials and planned corrective actions:** Discussed with bank official, and separate bond coverage will be established for the Service checking account.

4. Observe whether receipting, depositing, and reconciling functions are performed by separate employees.

**Finding:** It was noted that receipting, depositing, and reconciling functions were not properly segregated to assure adequate internal control structure.

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

**Views of responsible officials and planned corrective actions:** Continued oversight of Board members.

5. We reconciled revenue on the Service's Estimate of Needs to bank credits/deposits for the period July 1, 2006 through June 30, 2008.

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 Service revenue records.

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

7. Observe whether receiving of goods and services, preparing claims, and issuing payments were performed by separate employees.

**Finding:** It was noted that 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. An increased level of review of transactions, cross-training for the financial duties could provide effective oversight by management.

**Views of responsible officials and planned corrective actions:** Continued oversight of Board members.

8. We reconciled checks issued as reported on the Service's Estimate of Needs to bank debits/checks clearing the bank for the period July 1, 2006 through June 30, 2008.

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

9. Review the Service's warrant/check register report to identify missing and/or voided checks and obtained the disposition of missing or voided checks.

**Finding:** There were two check numbers (1051 and 1052) that were not used. The Assistant Administrator was unable to use these check numbers due to computer printer malfunction.

**Recommendation:** OSAI recommends all checks be accounted for and maintained. If voided, checks should be properly marked as void and retained in the office.

**Views of responsible officials and planned corrective actions:** Purchased separate printer for check printing.

10. We observed that the Service Board had approved the contract with the provider (Cashion EMS) for the period July 1, 2006 through June 30, 2008, and noted as such in the Board minutes.

There were no findings as a result of applying the procedures

11. We observed that contract payments were made to the provider (Cashion EMS) as approved by the Service Board, and that payments were within the budgeted and appropriated revenue.

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

12. We observed the provider (Cashion EMS) maintained the certification with the Oklahoma Department of Health by providing the necessary certified Emergency Medical Technicians, the equipment, and the maintenance of the equipment.

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

13. We randomly selected runs for the months of February 2007 and June 2008 and observed that run calls were billed in accordance with the contract.

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



14. We observed that the provider (Cashion EMS) provided reports of the activities as required by contract.

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

15. We observed a copy of the annual certification and inspection reports from the Oklahoma Department of Health as provided to the Service.

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

16. We observed the Service received a copy of the liability policy from the provider (Cashion EMS), which met the liability requirement of \$125,000.00 for any claim from a single act and \$1,000,000.00 for any number of claims from a single occurrence or accident as per contract.

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

17. We observed the publication notice of the Service's Estimate of Needs.

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

18. We observed expenditures did not exceed appropriations in any budgeted category.

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

19. Observe that the Service appropriated the mandatory one-tenth mill to the audit budget account.

**Finding:** The Service did not appropriate the mandatory one-tenth mill for the audit budget account for the period July 1, 2006 through June 30, 2008.

**Criteria:** According to 19 O.S. § 1706.1, the Service must appropriate the net proceeds of the one-tenth mill annual ad valorem levy upon the net total assessed valuation of the Service for audit expenses.

**Recommendation:** OSAI recommends the Service Board ensure the Estimate of Needs correctly reflect the apportioned amount and any additional amount not used in the previous year.

**Views of responsible officials and planned corrective actions:** Discussed with Storm & Hauser budget preparation.

20. Observe the employee salary payments represented the correct compensation for each twelve month period.

**Finding:** The Administrator and Assistant Administrator received compensation for thirteen pay periods for 2007. As a result of a change in accounting, an error in payroll occurred, in which the employees were paid twice for the month of January 2007.

**Recommendation:** OSAI recommends the Service Board ensure payroll checks are being issued as earned for each period. In addition, OSAI recommends the Service Board take appropriate action with regard to the duplicate payment of the month of January 2007 for the Administrator in the amount of \$1,250.00 and for the Assistant Administrator in the amount of \$416.67

**Views of responsible officials and planned corrective actions:** Discovered duplicate payroll checks on January 2007 when accounting system switched from monthly to quarterly. Payment in the amount of \$1,250.00 and \$416.67 will be deducted from the next quarterly payroll.

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 Service. 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 9, 2008



**OFFICE OF THE STATE AUDITOR AND INSPECTOR  
2300 N. LINCOLN BOULEVARD, ROOM 100  
OKLAHOMA CITY, OK 73105-4896**

**[WWW.SAI.OK.GOV](http://WWW.SAI.OK.GOV)**