

# **CIMARRON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT**

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

# **AGREED-UPON PROCEDURES REPORT**



**Oklahoma State Auditor  
& Inspector**

**CIMARRON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
AGREED-UPON PROCEDURES REPORT  
FOR THE PERIOD JULY 1, 2006 THROUGH JUNE 30, 2008**

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# STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA  
State Auditor

MICHELLE R. DAY, ESQ.  
Chief Deputy



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November 6, 2008

TO THE BOARD OF TRUSTEES OF THE  
CIMARRON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

Transmitted herewith is the agreed-upon procedures report for the Cimarron County Emergency Medical Service District 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".

STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

A handwritten signature in blue ink that reads "Michelle R. Day".

MICHELLE R. DAY, ESQ.  
DEPUTY STATE AUDITOR & INSPECTOR

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

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**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 2.5 mills levy to support the operation of the district. The Cimarron County Emergency Medical Service District is comprised of Cimarron County 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.

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

TO THE BOARD OF TRUSTEES OF THE  
CIMARRON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

We have performed the procedures enumerated below, which were agreed to by management of the Cimarron County 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 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 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:** We concur with the State Auditor's comments and will conduct periodic review of District operations.

2. We randomly selected 10% of the runs from the dispatch log book and:
  - Traced to the run sheet.
  - Agreed fee charged to fee schedule.
  - Traced run to billing records.
  - Traced receipt number from billing records to receipt.
  - Traced receipt to deposit slip.
  - Agreed cash/check composition of deposits to the receipts issued.
  - Examined receipts to determine they are pre-numbered and issued in numerical order.



- Agreed date of receipts to date of deposit slip.
- For any voided receipts, observed the original receipt.
- Observed second billing and or list sent to collection agency if no payment was received.
- 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 compared District cash/cash equivalents in each financial institution to the fair market value of each financial institution's pledged collateral at January and June.

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 District to District deposit slips.

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

7. We reconciled warrants issued, as reported on the District's Estimate of Needs, to the County Treasurer's disbursements for both fiscal years.

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

8. We reviewed the County's warrant register report to identify missing and/or voided warrants and obtained the disposition of missing or voided warrants.

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

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

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

10. We randomly selected 24 (12 each fiscal year) warrants and:
- Agreed to invoices.
  - Agreed payee on cancelled check to vendor on invoice.
  - Inspected the receiving report/invoice for signature of District employee who verified goods and/or services were received.
  - Traced claim approval to District Board minutes.

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

11. We selected 100% of disbursements in excess of \$2,500 and:
- Agreed to invoices.
  - Agreed payee on cancelled check to vendor on invoice.
  - Inspected the receiving report/invoice for signature of District employee who verified goods and/or services were received.
  - Traced claim approval to District Board minutes.
  - For items in excess of \$7,500, we observed that bidding requirements were met.

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

12. 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.

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

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

14. 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.

15. We confirmed whether the District's policy regarding safeguarding of capital assets is in accordance with the following criteria:
- Observe the existence of an equipment inventory list.
  - Observe documentation of the conduct of a physical inventory.

**Finding:** The District has established an equipment inventory list, which is maintained by the County Clerk. The inventory list has not been updated to reflect changes in the inventory with regard to the following:



- Items that have been junked (radio base station #602.06)
- Items that are no longer in use (inoperable radios)
- Different inventory control numbers for the same type of item, i.e., mast trousers were listed under both 512.1 and 522.1 inventory numbers
- One item could not be located (1996 external defibrillator #527.1)

There was no documentation that a physical inventory has been conducted.

**Criteria:** Title 19 O.S. § 1718.A states, “A district shall maintain, according to its own accounting needs some or all of the funds and account groups in its system of accounts that are consistent with legal and operating requirements and as prescribed by the State Auditor and Inspector. The required funds may include, but not be limited to:

5. A ledger or group of accounts in which to record the details relating to the general fixed assets of the county.”

**Recommendation:** OSAI recommends the Board evaluate its policies and procedures for recording, reporting and inventorying its fixed assets and equipment and make the necessary changes to improve its controls over this area and its compliance with 19 O.S. § 1718. The District Board could utilize the County’s equipment disposal resolution as a pattern for approving and recording equipment items that are no longer in service.

**Views of responsible officials and planned corrective actions:** The District Board will set forth policies and procedures for recording and reporting fixed assets and equipment and make the necessary changes to improve its control over this area and its compliance with statutes and prescribed forms and procedures.

16. We observed insurance policies for the existence of coverage of capital assets.

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

17. Other matters we noted:

**Finding:** The District did not have a current contract for either fiscal year with Mediciclaims, Inc., the vendor that manages the billing of patient accounts for the District.

**Recommendation:** OSAI recommends the District Board maintain a current contract with its vendors for the billing of patient accounts on a yearly basis.

**Views of responsible officials and planned corrective actions:** We concur with the State Auditor’s comments and will renew the contracts with Mediciclaims, Inc. on an annual basis.

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  
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September 18, 2008



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