

COAL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

JULY 1, 2005 THROUGH
JUNE 30, 2007

EMS AGREED-UPON PROCEDURES



Oklahoma State Auditor
& Inspector

**COAL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2007**

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, twenty-five (25) copies have been prepared and distributed at a cost of \$43.38. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Steve Burrage, CPA
State Auditor and Inspector

August 7, 2008

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

Transmitted herewith is the agreed-upon procedures report for the Coal County Emergency Medical Service District for the period July 1, 2005 through June 30, 2007. 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 "Michelle R. Day".

MICHELLE R. DAY, Esq.
Deputy State Auditor and Inspector

COAL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
JULY 1, 2005 THROUGH JUNE 30, 2007

INTRODUCTION

Article 10, § 9C of the Oklahoma Constitution authorized the formation of emergency medical service districts and authorized a tax levy not to exceed 3 mills for the purpose of providing funds to support, organize, operate, and maintain district ambulance services. District voters approved the formation of the district and 3 mills levy to support the operation of the district. The Coal County Emergency Medical Service District is comprised of Coal 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.

COAL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

JUNE 30, 2007

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Steve Burrage, CPA
State Auditor and Inspector

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

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

We have performed the procedures enumerated below, which were agreed to by management of the Coal County Emergency Medical Service 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, 2005 through June 30, 2007. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the fieldwork and reporting standards applicable to attestation engagements as contained in *Government Auditing Standards* of 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 obtained from the County Treasurer amounts of ad valorem taxes and sales taxes apportioned to the District and determined if the funds were appropriated to the County Clerk's appropriation ledger.

Finding: The sales tax collection for December 2006 in the amount of \$13,623.82 was not apportioned or appropriated to the EMS 3 Account until November 15, 2007.

Recommendation: We recommend that the EMS Board of Trustees review the appropriation ledger to determine if ad valorem tax and sales tax are appropriated monthly.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's findings. We will implement procedures to monitor this issue.

2. 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.

3. We randomly selected 10 warrants to:
 - Agree to invoices.
 - Agree payee on cancelled check to vendor on invoice.
 - Inspect the receiving report/invoice for signature of EMS employee who verified goods and/or services were received.
 - Trace claim approval to EMS Board minutes.

Finding: Eight of ten warrants selected had invoices attached that did not have an EMS District employee's signature on them indicating goods/services were received; they were only signed by a city official.

Recommendation: We recommend that more emphasis be placed on the purchase order process and that all invoices be initialed and dated by the EMS District employee who received the goods and/or services.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's findings. We will implement procedures to correct this issue.

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

4. We confirmed that the EMS District has a provider contract and:
 - Obtained a copy of the contract.
 - Observed that the contract was approved by the EMS Board for the current year and was for a specific amount.
 - Determined that the District paid the City of Coalgate in accordance with the contract.
 - Determined that the City of Coalgate provided two ambulances for emergency response in accordance with the contract.

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

5. We observed each board member's Official Bond.

Finding: The District did not have Official Bond coverage on the board members for the period beginning July 1, 2005 and ending June 30, 2007.

Recommendation: We recommend that the EMS District obtain Official Bond coverage on each board member.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's findings. We will implement procedures to correct this issue.

6. We observed the EMS District's Estimate of Needs and the publication notice of the Estimate of Needs.
 - The publication notice was printed in a county wide newspaper.
 - All schedules in the Estimate of Needs were completed.

Finding: The District did not publish the Estimate of Needs for fiscal year ending June 30, 2007, in a county wide newspaper. Schedule F was not properly completed. We noted the District did not appropriate the mandatory one-tenth mill to the audit budget account for the fiscal years ending June 30, 2006 and June 30, 2007, and the District did not departmentalize expenditures by appropriate functions and activities on the Estimate of Needs for the fiscal years ending June 30, 2006 and June 30, 2007.

Recommendation: We recommend that the publication notice be printed in a county wide newspaper. In addition, we recommend that the EMS District departmentalize expenditures by the appropriate functions and activities and include the mandatory audit budget account in the Estimate of Needs.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's findings. We will implement procedures to ensure that the Estimate of Needs is properly completed and published.

7. We confirmed the EMS District's inventory listings of capital assets with the following criteria:
 - o Observed the existence of an equipment inventory list.
 - o Observed 5 items from the inventory list and visually verified their existence.
 - o Observed all ambulances on the inventory listing for existence.

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

8. 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, and capital assets 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.



MICHELLE R. DAY, Esq.
Deputy State Auditor and Inspector

July 18, 2008



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