

**COTTON COUNTY
EMERGENCY
MEDICAL SERVICE
DISTRICT**

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

AGREED-UPON PROCEDURES REPORT



Oklahoma State Auditor
& Inspector

**COTTON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
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 \$23.92. 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



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January 8, 2009

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

Transmitted herewith is the agreed-upon procedures report for the Cotton 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". The signature is written in a cursive, flowing style.

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

**COTTON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
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 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 levy to support the operation of the district. The Cotton County Emergency Medical Service District is comprised of Cotton 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
COTTON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

We have performed the procedures enumerated below, which were agreed to by management of the Cotton County Emergency Medical Service District (the District), solely to assist you in evaluating the receipt and disbursement process 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 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.

2. 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.

3. We traced amounts of ad valorem taxes remitted from the County Treasurer to District records.

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

4. 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: We concur with the State Auditor's comments and will conduct periodic review of office operations.

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

Finding: The limited number of office personnel prevents a proper segregation of accounting functions, which is necessary to ensure adequate internal control structure over receiving goods and services, preparing claims, and issuing payments.

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: We concur with the State Auditor's finding. Management will perform a periodic review of these operations.

6. We selected all checks/warrants/vouchers and:
 - a. Agreed to invoices.
 - b. Agreed payee on cancelled check to vendor on invoice.
 - c. Inspected the receiving report/invoice for signature of District employee who verified goods and/or services were received.
 - d. Traced claim approval to District Board minutes.

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

7. Confirm that the District has a provider contract and obtain a copy to:
 - a. Observe that the contract was approved by the District Board for the current year and was for a specific amount.
 - b. Observe that the provider has provided the District with financial reports of its revenue and expenditures;
 - c. Observe that the provider has provided the District information/documentation for its personnel, including emergency medical certifications from the Oklahoma State Department of Health;
 - d. Observe that the provider has provided the District copies of its inspection reports from the Oklahoma State Department of Health; and
 - e. Observe that the provider has provided the District copies of its liability insurance coverage.

Finding: Neither the District Board of Trustees nor the Walters Volunteer Ambulance Service Administrator was able to locate a signed copy of the contract for fiscal year ending June 30, 2008.

Financial reports of the Walters Volunteer Ambulance Service could not be located for the period July 1, 2006 through June 30, 2008.

Recommendation: OSAI recommends the District locate and maintain a signed copy of the current contract, and obtain a copy of the Walters Volunteer Ambulance Service financial reports to ensure the provider is in compliance with contract.

Views of responsible officials and planned corrective actions: Management is aware of these conditions and will strive to prevent further occurrences.

With respect to procedures c, d and e, there were no other findings.

8. 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.

9. 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 procedure.

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

November 20, 2008



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