

**GRADY COUNTY
EMERGENCY
MEDICAL SERVICE
DISTRICT**

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

AGREED-UPON PROCEDURES REPORT



Oklahoma State Auditor
& Inspector

**GRADY COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
AGREED-UPON PROCEDURES REPORT
FOR THE FISCAL YEAR ENDED 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 \$24.07. 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

February 19, 2009

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

Transmitted herewith is the agreed-upon procedures report for the Grady County Emergency Medical Service District for the fiscal year ended 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

**GRADY COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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 an original 3 mills ad valorem levy to support the operation of the District. Per Article 10, §8A, with the repeal of personal property tax, the millage with the adjustment factor is now 3.10 mills. The Grady County Emergency Medical Service District is comprised of Grady 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
GRADY COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

We have performed the procedures enumerated below, which were agreed to by management of the Grady 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 fiscal year ended 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: It was noted that the receiving, receipting, recording, and depositing cash and checks within the District office were not properly segregated to assure adequate internal control structure.

Recommendation: OSAI recommends management be aware of these conditions 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: We concur with the State Auditor's finding. Management will perform a periodic review of these operations.

2. We agreed all bank reconciliations performed during the year to the financial records.

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

3. 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.

4. 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.

5. We traced amounts of ad valorem taxes and sales taxes remitted from the County Treasurer to the District's deposit slips.

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

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

Finding: It was noted that the receiving of goods and services, preparing claims, and issuing payments within the District office were not properly segregated to assure adequate internal control structure.

Recommendation: OSAI recommends management be aware of these conditions 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: We concur with the State Auditor's finding. Management will perform a periodic review of these operations.

7. Randomly select 10 checks/warrants/vouchers 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: Of the ten checks selected, the following was noted:

- Goods and services received were not verified with an employee's signature on all of the invoices selected.
- Three claims did not have invoices attached.

Recommendation: OSAI recommends that all invoices be initialed and dated by the District's employee who received the goods and services. Also, documentation should be attached and verified prior to a check being issued for payment.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's finding. We are taking measures to correct this issue.

With respect to applying procedure D, there were no findings.

8. We observed the third-party contracts for ambulance services and:
 - A. Observed that the contract was approved by the Board for the current year and was for a specific amount.
 - B. Observed whether the District paid the providers in accordance with the contracts.

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

9. We observed each Board member's Official Bond.

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

10. Randomly select one payroll period in order to:
 - A. Observe whether all employees prepared timesheets.
 - B. Inspect timesheets for signatures of employees and supervisors.

Finding: The District has one paid employee. This employee prepares a time sheet, but does not sign and date the timesheet. In addition, the timesheet is not signed and dated by a supervisor or a member of the Board of Trustees.

Recommendation: OSAI recommends that timesheets be signed and dated by the employee as well as the Board member approving that timesheet.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's finding. We are taking measures to correct this issue.

With respect to applying procedure A, there were no findings.

11. We selected one employee from the payroll records and:
 - A. Compared leave amounts earned to the District policy for earning leave.
 - B. Compared leave balances to the District policy for limitations on leave balances.
 - C. Traced annual leave used on the employee's timesheet (or payroll claim) to the respective monthly leave balance report.

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

12. We observed the Estimate of Needs and the publication notice of the District's Estimate of Needs and determined:
 - A. Publication was printed in a county-wide newspaper.
 - B. All schedules in the Estimate of Needs were completed.

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

January 15, 2009



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

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