

# GREER COUNTY SPECIAL AMBULANCE SERVICE DISTRICT

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

# AGREED-UPON PROCEDURES REPORT



Oklahoma State Auditor  
& Inspector

**GREER COUNTY SPECIAL AMBULANCE SERVICE DISTRICT  
AGREED-UPON PROCEDURES REPORT  
FOR THE PERIOD JULY 1, 2006 THROUGH JUNE 30, 2008**

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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 \$24.36. 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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December 5, 2008

TO THE BOARD OF TRUSTEES OF THE  
GREER COUNTY SPECIAL AMBULANCE SERVICE DISTRICT

Transmitted herewith is the agreed-upon procedures report for the Greer County Special Ambulance 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

**GREER COUNTY SPECIAL AMBULANCE SERVICE DISTRICT  
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 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. The Greer County Special Ambulance Service District is comprised of Greer 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.

**GREER COUNTY SPECIAL AMBULANCE SERVICE DISTRICT**  
**JUNE 30, 2008**

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

TO THE BOARD OF TRUSTEES OF THE  
GREER COUNTY SPECIAL AMBULANCE SERVICE DISTRICT

We have performed the procedures enumerated below, which were agreed to by management of the Greer County Special Ambulance 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 the 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:** 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. An increased level of review of transactions, cross-training for the financial duties, and periodic rotation of financial duties are ways that some small entities manage the increased risk of improprieties in an office with limited employees.

**Views of responsible officials and planned corrective actions:** The limited number of employees, limited the number of personnel who will handle the mail, receipt the income from Medicare, Medicaid and other insurance companies and cash from patients is a constant problem in this service due to the office personnel. However, there are procedures in place, to ensure proper handling of income and payments.

2. We randomly selected 80 (5%) runs from the dispatch log book and:
  - o Traced to the run sheet.
  - o 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 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 bank debits/checks clearing the bank for the fiscal year.

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

8. We reviewed the District's check register report to identify missing and/or voided checks and obtained the disposition of missing or voided checks.

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 checks/warrants/vouchers 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 the Board members' 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 in order to:
- Observe whether all employees prepared timesheets.
  - Inspect timesheets for signatures of employees and supervisors.

**Finding:** Employees did not maintain individual timesheets, which require the signature of employee and supervisor. Three full-time employees, paid by salary, based on a 40 hour work week, also work for the Jackson County EMS. The District's payroll records reflected days worked (with an X) at the same time the Jackson County EMS timesheets reflected time worked for two of the three employees.

**Recommendation:** OSAI recommends all employees of the District maintain individual timesheets and have them signed by the employee and supervisor to reflect actual time worked and leave used.



**Views of responsible officials and planned corrective actions:** Timesheets are being developed and will be maintained indicating when the employees were working and on the schedule. The individuals working for Jackson County EMS will be checked to insure they are not on the Greer County Ambulance weekly schedule when they are working at Jackson County EMS. Precautions will be taken if the individuals are on the schedule and are called to work at Jackson County EMS, the individuals name will be marked through, indicating that the employee was not working at Greer County Ambulance Service.

14. We selected 100% of employees from the payroll records for both years in order to:
- Compare leave amounts earned to the District's policy for earning leave.
  - Compare leave balances to the District's policy for limitations on leave balances.
  - Trace annual leave used on the employee's timesheet (or payroll claim) to the respective monthly leave balance report.

**Finding:** The District policy allows for full-time employees to accrue vacation and sick leave. However, there is no documentation of vacation leave and sick leave time accrued, used, and if balances are within policy limitations.

**Recommendation:** OSAI recommends all employees of the District maintain individual timesheets to reflect time worked and leave usage. We further recommend the District follow policy guidelines relating to the accrual, usage, and balances of vacation and sick leave for all full-time employees.

**Views of responsible officials and planned corrective actions:** A vacation form is being developed and will be maintained to indicate vacation time taken and a separate form will be maintained for sick leave to insure these forms are kept in accordance to the policy of this company.

15. We observed the publication notice of the District's Estimate of Needs and whether the District's expenditures exceeded its appropriations in each budget category.

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

16. We observed:
- the existence of an equipment inventory list.
  - documentation of the conduct of a physical inventory.

**Finding:** The District has established an equipment inventory list; however, the inventory list has not been updated to reflect changes in the inventory with regard to:

- Items that have been traded (1995 Ambulance and 1998 Ambulance);
- New items that have been purchased (2002 Ford Ambulance, 2005 GMC Ambulance, and a 2006 Ford Ambulance);
- Documenting serial numbers or original cost of the ambulances.

**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.”

There was no evidence that the District conducts a physical inventory.

**Recommendation:** OSAI recommends the Board evaluate its policies and procedures for recording, reporting and inventorying 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 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 Greer County Ambulance Service will review its inventory list of equipment and non-durable equipment to insure all is recorded on the inventory list with the date of purchase, the amount of the equipment and the serial number or identification marking so it can be identified. When equipment is taken out of service, this will be noted on the inventory list and the disposal method indicated.

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

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

18. Observe whether the District used approved methods to secure financing for ambulances.

**Finding:** The District lease-purchased four defibrillators during the fiscal year 2006-2007. The financing for the lease-purchases was approved by Great Plains National Bank and one of the District members is the President of the financing institution.

**Criteria:** The Constitution of Oklahoma Article 10, § 9C(b) states, “Any district board of trustees may issue bonds, if approved by a majority vote at a special election for such purpose. All registered voters with the designated district shall have the right to vote in said election. Such bonds shall be issued for the purpose of acquiring emergency vehicles and other equipment and maintaining and housing the same.

**Recommendation:** OSAI recommends the District acquire emergency vehicles and equipment that require long-term financing through special elections as required by Article 10, § 9C(b) of the Oklahoma Constitution.

**Views of responsible officials and planned corrective actions:** When the defibrillators were purchased, the local banks were notified if they wish to submit possible loan information for comparison. This was not done except by the Great Plains National Bank. This bank was not selected because of one board member being a member, but because this was the only bank that submitted loan information. The two local banks have been used in the past. One bank had a HI-Fi account for Greer County Ambulance Service until it had to be closed due to budget restraints and was needed to help maintain the ability to pay the bills. A written notation will be

maintained when additional equipment may be required to be purchased on a loan to indicate the other banks had an opportunity to submit loan information.

OSAI response: Borrowing is not an incident of local government, and offices may do only what they are authorized by law to do. According to Article 10, § 9C(b), emergency medical service districts cannot borrow money or incur long-term debt except via bonds issued after an authorizing election.

19. Review Board minutes to determine if contracts were approved.

**Finding:** The renewal of agreements and contracts between the District and A&S Collections were not approved until November 2006 for the fiscal year 2006-2007. Also, for the fiscal year 2006-2007, there was no Board approval for the renewal of agreements nor the renewal of contract agreements between the District and A&S Collections.


**Recommendation:** OSAI recommends the District renew all fiscal year agreements and contracts at the first meeting of the new fiscal year.

**Views of responsible officials and planned corrective actions:** The contract between Greer County Ambulance Service and A&S Collections is no longer being utilized and has not been for a couple of years. Therefore, this contract was not signed after the termination date. The contract with the Collection Credit Service, Oklahoma City, will be reviewed to insure the contract is signed. However, this service has not been utilized for several months.

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

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

September 23, 2008



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