

GROVE EMERGENCY MEDICAL SERVICE DISTRICT

FOR THE PERIOD ENDED
JUNE 30, 2007

EMS AGREED-UPON PROCEDURES



Oklahoma State Auditor
& Inspector

**GROVE EMERGENCY MEDICAL SERVICE DISTRICT
AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD ENDED 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

July 7, 2008

TO THE BOARD OF TRUSTEES OF THE
GROVE EMERGENCY MEDICAL SERVICE DISTRICT

Transmitted herewith is the agreed-upon procedures report for the Grove Emergency Medical Service District. 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

GROVE EMERGENCY MEDICAL SERVICE DISTRICT

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 an original 3 mills 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 3.14 mills. The Grove Emergency Medical Service District is comprised of Independent School District 2 in Delaware 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.

GROVE 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
GROVE EMERGENCY MEDICAL SERVICE DISTRICT

We have performed the procedures enumerated below, which were agreed to by management of the Grove 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 ending 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 observed whether receipting, depositing, and reconciling functions are performed by separate employees.

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

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 June 30.

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

5. 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.

6. 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.

7. We randomly selected 10 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.

Finding: We were unable to trace claims to Board approval because the minutes of the meetings could not be located.

Recommendation: We recommend that the minutes for meetings of public bodies and public officials be maintained in a manner which is open to any person for inspection, copying, and/or mechanical reproduction in order to comply with the Oklahoma Open Records Act and the Oklahoma Open Meetings Act.

Views of responsible officials and planned corrective actions: The Board will establish procedures to ensure that the minutes are maintained in a central location.

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

8. Confirm that the District has a provider contract and:
 - Obtain a copy of the contract to determine whether specific responsibilities and duties of the contract are being performed. (Provisions in the contract).
 - Observe that the contract was approved by the District Board for the current year and was for a specific amount.

Finding: The District has an arrangement with Grove Hospital to provide ambulance service. A contract between the District and the hospital could not be found.

Recommendation: We recommend the District prepare a contract outlining the responsibility and duties of each party, as well as the monthly payment amount the District will be required to pay under the contract. The contract should be on a fiscal year basis, be renegotiated and approved by the District Board annually.

Views of responsible officials and planned corrective actions: The Board has requested a new contract from the Hospital each year. The legal department of the Hospital has failed to provide the new contract. The Board does not feel they have an option to force a new contract, since there are no other qualified providers in the area.

SA&I response: State statutes provide that service contracts be reviewed and approved on a fiscal year basis by the District Board.

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

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

10. We observed the publication notice of the District's Estimate of Needs.

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

11. Confirm the District's policy regarding safeguarding of capital assets with the following criteria:

- o Observe the existence of an equipment inventory list.
- o Observe documentation of the conduct of a physical inventory.
- o Observe 100% of the ambulances.
- o Select (10) items from the inventory listing and visually verify.

Finding: A physical inventory of the District's equipment is not conducted, and we were unable to locate one (1) of the (10) items selected.

Recommendation: We recommend that a physical inventory be conducted on an annual basis and that all inventory items be properly accounted for.

Views of responsible officials and planned corrective actions: A Board representative will conduct a physical inventory at the end of each year.

With respect to the other procedures applied, there were no findings.

12. 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

April 24, 2008



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