

**JACKSON COUNTY
EMERGENCY
MEDICAL
SERVICE DISTRICT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2009**

EMS AGREED-UPON PROCEDURES



Oklahoma State Auditor
& Inspector

**JACKSON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
AGREED-UPON PROCEDURES REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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 \$25.02. 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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November 16, 2009

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

Transmitted herewith is the agreed-upon procedures report for the Jackson County Emergency Medical Service District for the fiscal year ended June 30, 2009. 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

**JACKSON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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 an original 3 mills levy to support the operation of the District. The County voted to repeal the personal property tax. The initiative provided that real property tax levies would be increased to make up for the loss of taxable personal property. Per Article 10, § 8A, with the repeal of personal property tax, the millage with the adjustment factor is now 3.05 mills. The Jackson County Emergency Medical Service District is comprised of Jackson 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
JACKSON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

We have performed the procedures enumerated below, which were agreed to by management of the Jackson County 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 fiscal year ended June 30, 2009. 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 obtained bank confirmations for all cash, cash equivalents and investments with financial institutions.

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

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

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

3. We observed whether "fair market" pledged collateral covers bank deposits by testing January and June time periods.

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

4. We performed a petty cash count.

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

5. We observed whether investments are in compliance with 62 O.S. § 348.1.

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

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6. We observed 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 over receipts.

7. We randomly selected 25 runs from the log book in order to:
- a. Trace to the run sheet.
 - b. Agree fee charged to fee schedule.
 - c. Trace run to billing records.
 - d. If a payment was received:
 - i. Trace the receipt number from billing records to receipt.
 - ii. Trace receipt to deposit slip.
 - iii. Agree cash/check composition of deposits to the receipts issued.
 - iv. Examine receipts to determine they are pre-numbered and issued in numerical sequence.
 - e. If no payment was received:
 - i. Observe second billing and/or list sent to collection agency.
 - ii. Observe District Board authorization in the Board minutes if the amount was written off.

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

8. We reconciled revenues as reported on the District Estimate of Needs to bank credits/deposits clearing the bank for the fiscal year.

Finding: A variance of \$40.08 could not be identified in the reconciliation of reported revenue of the District to bank deposits.

9. We obtained confirmation of ad valorem taxes and/or sales taxes remitted from the County Treasurer and agreed taxes remitted to District revenue records/reports.

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

10. We observed whether receiving goods and services, preparing claims, and issuing payments are performed by separate employees.

Finding: The duties of receiving goods, preparing claims, and issuing payments were not properly segregated to assure adequate internal control structure over disbursements.

11. We reconciled checks/warrants issued, as reported on the District Estimate of Needs, to bank debts/checks clearing the bank for the fiscal year.

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

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12. We totaled checks issued, identified missing and/or voided checks, and obtained disposition of missing and/or voided checks.

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

13. We randomly selected 25 check/warrants/vouchers in order to:
- a. Agree to invoice(s) or ticket(s).
 - b. Agree payee on cancelled check to vendor on invoice/ticket.
 - c. Observe the receiving report/invoice/ticket for signature of District employee verifying goods and/or services were received.
 - d. Trace claim approval to District Board minutes.

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

14. We selected 100% of disbursements in excess of \$2,500 in order to:
- a. Agree to invoice(s) or ticket(s).
 - b. Agree payee on cancelled check to vendor on invoice/ticket.
 - c. Observe the receiving report/invoice/ticket for signature of District employee verifying goods and/or services were received.
 - d. Trace claim approval to District Board minutes.
 - e. Observe that bidding requirements were met for items in excess of \$7,500:
 - i. Observe proof of publication for the bid.
 - ii. Observe lowest and/or best bid was accepted.
 - iii. Observe District Board approved the bid which was recorded in the minutes.

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

15. We observed whether Board members have Official Bond coverage and the amount of coverage.

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

16. We selected one payroll period in order to:
- a. Observe whether all employees prepared timesheets.
 - b. Inspect timesheets for signatures of employees and supervisors.

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

17. We selected 5 employees from the payroll records in order to:
- a. Compare leave amounts earned to the District policy for earning leave.
 - b. Compare leave balances to the District policy for limitations on leave balances.
 - c. If there is a record or ledger for accrued leave balances, trace leave used from the employee's timesheet and/or payroll claim to that record or ledger.

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

18. We observed the publication notice of the District Estimate of Needs.

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

19. We observed whether expenditures have exceeded appropriations in any budget category.

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

20. We observed the existence of a District policy regarding safeguarding of capital assets.

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

21. We observed the existence of an equipment inventory list.

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

22. We observed documentation of the conduct of a physical inventory and/or conducted an inventory.

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

23. We observed insurance coverage of fixed asset group.

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

24. We obtained District Board minutes and reviewed for any unusual items.

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 receipt and disbursement process, the safeguarding of capital assets, and the determination of whether selected receipts and disbursements are supported by underlying records 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.

**JACKSON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
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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

October 13, 2009



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