

**LOVE COUNTY
EMERGENCY
MEDICAL
SERVICE DISTRICT**

**FOR THE PERIOD JULY 1, 2005
THROUGH JUNE 30, 2007**

EMS AGREED-UPON PROCEDURES



Oklahoma State Auditor
& Inspector

**LOVE COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD JULY 1, 2005 THROUGH 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, 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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September 2, 2009

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

Transmitted herewith is the agreed-upon procedures report for the Love County Emergency Medical Service District for the period July 1, 2005 through June 30, 2007. 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

**LOVE COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2007**

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 an original three (3) mills ad valorem 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 3.11 mills. The Love County Emergency Medical Service District is comprised of Love 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.

LOVE COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
JUNE 30, 2007

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by management of the Love 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 period July 1, 2005 through June 30, 2007. 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 observed whether receipting, depositing, and reconciling functions are performed by separate employees.

Finding: The receiving, receipting, recording, and depositing cash and checks within the District office were not properly segregated to assure adequate internal control structure.

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

Finding: Bank reconciliations were not performed for the months of July 2005, August 2005, and September 2005.

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 the District's 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.

**LOVE COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
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5. We traced ad valorem taxes and sales taxes remitted from the County Treasurer 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.

Finding: Receiving goods and services, preparing claims, and issuing payments within the District office were not properly segregated to assure adequate internal control structure.

7. We randomly selected 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: Six claims were not approved in the minutes. The minutes state that financial statements were presented and approved; however, the minutes do not list claims out for approval.

With respect to procedures A, B, and C, there were no findings.

8. We observed the third-party contract for ambulance services in order to:
- A. Observe that the contracts were approved by the District Board and were for a specific amount.
 - B. Observe whether the District paid the Love County Health Center (Center) in accordance with the contract.

Finding: The District has not renewed their contracts for a specific amount on an annual basis, and therefore, has not paid the Center in accordance to the terms of a contract. The last approved contract was dated December 6, 1993.

Further, the District did not pay to the provider the ad valorem taxes collected for the month of August 2005 in the amount of \$380.27; 5-year incentive tax for the month of July 2006 in the amount of \$870.58; and ad valorem taxes paid for the month of May 2007 were short in the amount of \$.12. The District received \$6,038.13 in ad valorem tax but only paid the provider \$6,038.01, for a variance of \$.12.

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

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

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10. We observed the publication notice of the District's Estimate of Needs in order to:
- A. Observe whether all schedules in the Estimate of Needs were completed.
 - B. Observe whether the publication notice was printed in a county-wide newspaper.

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

11. We observed the District's policy regarding safeguarding of capital assets in order to:
- A. Confirm the existence of an equipment inventory list.
 - B. Verify all ambulances on the inventory list for existence.

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.

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

July 7, 2009



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