

**LOVE COUNTY
EMERGENCY
MEDICAL
SERVICE DISTRICT**

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

EMS AGREED-UPON PROCEDURES



Oklahoma State Auditor
& Inspector

**LOVE 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 \$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

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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 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

**LOVE 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 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, 2008

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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 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. 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.

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 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.

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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: Seven claims were not approved in the minutes. The minutes only 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 contract was approved by the District Board for the current year and was for a specific amount.
 - B. Observe whether the District paid the Love County Health Center (Center) in accordance with the contract.

Finding: The District did not renew their contract for a specific amount for the fiscal year ended 2008. It was noted that the District paid the Center according to a contract dated December 6, 1993.

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 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.

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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.

12. We selected items requiring bids (greater than \$7,500) in order to:
- A. Observe proof of publication of bid.
 - B. Observe justification and approval of awarding the bid to a bidder other than the lowest bidder in the District Board minutes.

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

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

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

While performing procedure 7, the following additional matter came to our attention:

Finding: The District entered into a lease agreement in violation of Oklahoma laws for the purchase of a 2008 Ford F350 Type 1 Remount Ambulance.

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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