

**MARSHALL COUNTY  
EMERGENCY  
MEDICAL  
SERVICE DISTRICT**

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

**EMS AGREED-UPON PROCEDURES**



Oklahoma State Auditor  
& Inspector

**MARSHALL COUNTY EMERGENCY MEDICAL 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 \$24.22. 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 8, 2009

## TO THE BOARD OF TRUSTEES OF THE MARSHALL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

Transmitted herewith is the agreed-upon procedures report for the Marshall County Emergency Medical 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

**MARSHALL COUNTY EMERGENCY MEDICAL 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 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 3.10 mills. The Marshall County Emergency Medical Service District is comprised of Marshall 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.

**MARSHALL 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  
MARSHALL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

We have performed the procedures enumerated below, which were agreed to by management of the Marshall 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, 2006 through 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 randomly selected 10 runs from the dispatch 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. Trace receipt number from billing records to receipt.
  - E. Trace receipt to deposit slip.
  - F. Agree cash/check composition of deposits to the receipts issued.
  - G. Examine receipts to determine they are pre-numbered and issued in numerical order.
  - H. Agree date of receipts to date of deposit slip.
  - I. For any voided receipts, observe the original receipt.
  - J. Observe second billing and or list sent to collection agency if no payment was received.
  - K. Observe District Board authorization in the Board minutes if the amount was written off.

**Finding:** Three accounts had not been re-billed since the original billing date. Additionally, one account was written off by the Office Manager without Board authorization.

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With respect to procedures A-I, there were no findings.

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 the District's 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 District deposit slips.

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

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

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

8. We randomly selected 25 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:** The following issues were noted:

- With respect to procedure A, 2 of the 25 checks were not supported with invoices.
- With respect to procedure B, we could not agree payee on cancelled checks to vendor on invoices for the 2 checks that were not supported by invoices. However, we were able to match the other 23 payees with the supporting invoice.
- With respect to procedure C, 23 checks of the 25 selected did not have a corresponding receiving report/invoice and documentation of a signature of the District employee verifying that goods/services were received.

With respect to procedure D, there were no findings.



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9. We randomly selected five payroll checks in order to:
- A. Verify number of hours paid.
  - B. Verify payroll withholding to supporting documentation.
  - C. Trace claim approval to the Board minutes.

**Finding:** Two employees did not have a signed salary redirection agreement from AFLAC. Additionally, the District did not have a price sheet from AFLAC for four employees.

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

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

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

11. We randomly selected one payroll period in order to:
- A. Observe whether all employees prepared timesheets.
  - B. Inspect timesheets for signatures of employees and supervisors.

**Finding:** Timesheets are not signed by a supervisor.

With respect to procedure A, there were no findings.

12. We randomly 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. Trace annual leave used on the employee's timesheet (or payroll claim) to the respective monthly leave balance report.

**Finding:** One employee's leave accrual for the month of June 2007 was calculated incorrectly by two hours. Additionally, one employee's leave accrual for the month of June 2008 was calculated incorrectly by two hours.

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

13. 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.

**Finding:** The District did not appropriate the mandatory one-tenth mill to the audit budget account for the 2007 Estimate of Needs. However, the appropriation was made for fiscal year 2008.

With respect to the publication notice, there were no findings noted.



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14. We observed the District's policy regarding safeguarding of capital assets in order to:
- A. Confirm the existence of an equipment inventory list.
  - B. Visually verify the existence of 10 items from the inventory list.
  - C. Verify all ambulances on the inventory list for existence.

**Finding:** The equipment inventory list is not current and does not include all serial numbers and vehicle identification numbers for each item.

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

15. We selected 5 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.

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

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

While performing procedure 8, the following additional matter came to our attention:

**Finding:** Seven checks had purchase orders with invoices attached that had expenditures that did not appear to be for the support, organization, operation and maintenance of the District. The purchases included flowers, soda, candy, greeting cards, and sales tax paid totaling \$383.31.

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.

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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

July 8, 2009



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