

**McCLAIN/GRADY
EMERGENCY
MEDICAL SERVICE
DISTRICT**

**FOR THE PERIOD JULY 1, 2007
THROUGH JUNE 30, 2009**

EMS AGREED-UPON PROCEDURES



Oklahoma State Auditor
& Inspector

**McCLAIN/GRADY COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2009**

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STATE AUDITOR AND INSPECTOR

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December 14, 2010

TO THE BOARD OF TRUSTEES OF THE
McCLAIN/GRADY COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

Transmitted herewith is the agreed-upon procedures report for the McClain/Grady County Emergency Medical Service District for the period July 1, 2007 through 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



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

TO THE BOARD OF TRUSTEES OF THE
McCLAIN/GRADY COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

We have performed the procedures enumerated below, which were agreed to by management of the McClain/Grady 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, 2007 through 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 observed whether receipting, depositing, and reconciling functions are performed by separate employees.

Finding: The receipting and depositing functions within the District office were not performed by separate employees.

2. We 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.

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Finding: With respect to applying procedure G, receipts are pre-numbered, but are not issued in numerical sequence.

With respect to applying the remaining procedures, there were no findings.

3. We agreed all bank reconciliations performed during the period to the financial records.

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

4. We confirmed with financial institutions all cash and cash equivalent balances and investment balances as of June 30, 2008 and June 30, 2009.

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

5. We calculated 100% of the District's cash/cash equivalents in each financial institution and compared it to the fair market value of each financial institution's pledged collateral.

Finding: The District has investments in mutual funds with Charles Schwab that are not collateralized.

6. We traced amounts of ad valorem taxes remitted to the District's deposit slips.

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

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, preparation of claims, and issuing payment functions within the District office were not performed by separate employees.

8. We selected 25 checks 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.
- E. Determine expenditure was for the support, organization, operation, and maintenance of the District.

Finding: The following was noted:

- With respect to applying procedures A and B, one of the twenty-five checks was not supported with an invoice.

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- With respect to applying procedure C, for nine of the twenty-five checks, the District employee did not initial and date the invoice indicating that goods and services were received.
- With respect to applying procedure D, twenty-five of the twenty-five checks selected were not presented for approval in the District Board minutes.

With respect to applying procedure E, there were no findings.

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

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

10. 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: The following was noted:

- With respect to applying procedure A, timesheets were not prepared for the District Director and timesheets were not prepared for full-time employees prior to September 1, 2008.
- With respect to applying procedure B, the Director approves his own timesheet.

11. We randomly selected 5 employees from the payroll records in order to:
- A. Compare leave amounts earned to the District's policy for earning leave.
 - B. Compare leave balances to the District's 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: The following was noted:

- With respect to applying procedure A, two of the five employees selected did not accrue leave according to the District's leave policy.
- With respect to applying procedure C, one of the five employees leave shown on the timesheet did not match the leave balance report.

With respect to applying procedure B, there were no findings.

12. We observed the District's Estimate of Needs and the publication notice of the Estimate of Needs and observed whether all schedules in the Estimate of Needs were complete and 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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13. We confirmed the District's policy regarding safeguarding of capital assets with the following criteria:
- A. Observe the existence of an inventory list.
 - B. Observe 10 items from inventory list and visually verify existence.
 - C. Observe all ambulances on the inventory listing for existence.

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

14. We selected all 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.

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

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

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

December 13, 2010



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