

**McCURTAIN
COUNTY
EMERGENCY
MEDICAL SERVICE
DISTRICT**

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

EMS AGREED-UPON PROCEDURES



Oklahoma State Auditor
& Inspector

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

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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September 28, 2010

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

Transmitted herewith is the agreed-upon procedures report for the McCurtain 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

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

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

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

Finding: The following was noted:

- With respect to applying procedure B, four of the ten run sheets selected had the incorrect mileage billed.
- With respect to applying procedure I, four of the ten runs selected had receipt dates that did not agree to the date on the deposit slip due to the District not receipting or depositing daily.

With respect to applying the remaining procedures, 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 District cash/cash equivalents in each financial institution to the fair market value of each financial institution's pledged collateral at June.

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

6. We traced amounts of ad valorem taxes to the District's 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, preparation of claims, and issuing payment functions within the District office were not performed by separate employees.

8. We selected 25 purchase orders 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. Observe whether expenditure was for the support, organization, operation, and maintenance of the District.

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

Finding: The following was noted:

- With respect to applying procedure A, one purchase order was not supported with an invoice.
- With respect to applying procedure C, seven purchase orders selected had a corresponding receiving report/invoice but did not have an employee signature verifying that goods/services were received.

While performing these procedures, we noted that two of twenty-five purchase orders were for promissory note payments on two 2008 Taylor Made Ambulances. This issue was reported in the prior year engagement as being in violation of Article 10, § 9C(b) of the Oklahoma Constitution.

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

9. We selected five payroll checks in order to:
- A. Agree number of hours documented on timesheet to number of hours paid.
 - B. Agree withholding to supporting documentation.
 - C. Trace claim approval to Board minutes.

Finding: The following was noted:

- With respect to applying procedure A, all five payroll checks selected did not show actual hours worked from June 8, 2009 through June 22, 2009.
- With respect to applying procedure B, on three of the five payroll checks, withholdings for AFLAC, Pre-Paid Legal, and Bankers Life did not agree to supporting documentation.

With respect to applying the remaining procedures, 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 selected one payroll period in order to:
- A. Observe whether all employees prepared timesheets.
 - B. Inspect timesheets for signatures of employees and supervisors.

Finding:

- With respect to applying procedure A, timesheets were not prepared for seven of the twenty-nine employees.
- With respect to applying procedure B, thirteen of twenty-two timesheets selected were not signed by the employee, and eighteen of twenty-two timesheets selected were not signed by the supervisor at the end of each pay period.

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

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

Finding: With respect to applying procedure C, annual leave used was unable to be traced from the timesheet to the leave balance report due to the fact that the employee did not prepare a timesheet.

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

13. We observed the publication notice of the Estimate of Needs and observed whether all schedules in the Estimate of Needs were complete and publication notice was printed in a county-wide newspaper.

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

14. For equipment inventory we:
- A. Observed the existence of an inventory list.
 - B. Observed 10 items from the inventory list and visually verified existence.
 - C. Observed all ambulances on the inventory listing for existence.

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

15. 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.

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

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.

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

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

September 22, 2010



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