

**PAULS VALLEY
EMERGENCY
MEDICAL
SERVICE DISTRICT**

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

EMS AGREED-UPON PROCEDURES



Oklahoma State Auditor
& Inspector

**PAULS VALLEY 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 \$24.07. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

STATE AUDITOR AND INSPECTOR

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State Auditor

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December 21, 2009

TO THE BOARD OF TRUSTEES OF THE PAULS VALLEY EMERGENCY MEDICAL SERVICE DISTRICT

Transmitted herewith is the agreed-upon procedures report for the Pauls Valley 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

**PAULS VALLEY EMERGENCY MEDICAL SERVICE DISTRICT
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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 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 3.06 mills. The Pauls Valley Emergency Medical Service District is comprised of Pauls Valley School District and is located in Garvin County.

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.

**PAULS VALLEY EMERGENCY MEDICAL SERVICE DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

TO THE BOARD OF TRUSTEES OF THE
PAULS VALLEY EMERGENCY MEDICAL SERVICE DISTRICT

We have performed the procedures enumerated below, which were agreed to by management of the Pauls Valley 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.

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

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

There were no findings as a result of applying these 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 January and June.

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

5. We traced amounts of ad valorem taxes remitted from the County Treasurer to the District to District deposit slips.

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Finding: Ad valorem taxes are paid to the Pauls Valley City Clerk, who then remits the taxes to the Pauls Valley General Hospital. The Hospital then pays the taxes to the District. The following was noted:

- The September 2007 ad valorem taxes in the amount of \$677.82 were not paid to the District by the Hospital until September 5, 2008.
 - The October 2007 ad valorem taxes in the amount of \$175.85 were not paid to the District by the Hospital until September 5, 2008.
 - The February 2008 ad valorem taxes in the amount of \$5,800.12 were not paid to the District by the Hospital until September 5, 2008.
 - The June 2008 ad valorem taxes in the amount of \$336.09 were not paid to the District by the Hospital until September 5, 2008.
 - The June 30, 2008, ad valorem taxes in the amount of \$494.37 were paid twice by the Hospital to the District.
6. We observed whether receiving goods and services, preparing claims, and issuing payments are performed by separate employees.

Finding: The District has one employee who receives goods and services, prepares claims, and issues payments within the District office; therefore, duties are not segregated.

7. We randomly selected 9 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: With respect to procedure A, one check was for the amount of \$58,000 while the supporting invoice was for \$58,150.00. With respect to procedure B, one check did not have an invoice attached; therefore, we could not agree the payee on the check to the vendor on the invoice. With respect to procedure C, seven invoices had no signature of a District employee verifying goods and/or services were received. With respect to procedure D, five checks could not be located in the Board minutes indicating Board approval.

8. We confirmed that the District has a third-party provider contract in order to verify that it is renewed on an annual basis.

Finding: The District does not renew their contract with the trustees of the Pauls Valley Hospital Authority on an annual basis.

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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 Estimate of Needs was printed in a county-wide newspaper.

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

11. We observed whether all schedules within the Estimate of Needs were complete.

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

12. We observed the District's policy regarding safeguarding of capital assets by:
- A. Confirming the existence of an equipment inventory list.
 - B. Visually verifying the existence of 10 items from the inventory list.
 - C. Verifying all ambulances on the inventory list for existence.

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

13. 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.

Finding: With respect to procedure A, the District did not have proof of publication for the purchase of a Heartstart Monitor. With respect to procedure B, the District purchased a 2008 Ford Ambulance, and the minutes stated that the ambulance was purchased from the lowest bidder. However, the vendor the ambulance was purchased from was not the lowest bidder, and the minutes did not indicate the reason the District chose to accept the bid from someone other than the lowest bidder.

14. 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.

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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), and shall be open to any person for inspection and copying.



STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

July 21, 2009



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