

**TILLMAN
COUNTY
EMERGENCY
MEDICAL
SERVICE DISTRICT**

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

EMS AGREED-UPON PROCEDURES



Oklahoma State Auditor
& Inspector

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

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 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

MICHELLE R. DAY, ESQ.
Chief Deputy



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January 12, 2010

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

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

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by management of the Tillman 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 obtained bank confirmation for all cash, cash equivalents, and investments with financial institutions.

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

2. We observed whether bank reconciliations to the financial records were performed during the year.

Finding: A variance of \$1.60 was noted in the reconciliation of the operating account to the general ledger balance at June 30, 2008. Also, a variance of \$457.62 was noted in the reconciliation of the operating account to the general ledger at June 30, 2009.

3. We observed whether fair market value of pledged collateral covered bank deposits by testing January and June time periods.

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

4. We performed a petty cash count.

Finding: The District has a petty cash fund of \$900. On July 9, 2009, a surprise petty cash count revealed that the District had \$618 in cash on hand and receipts of \$160.26, for a total of \$850.98. The variance of \$49.02 could not be identified.

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5. We observed whether investments are managed in accordance with 62 O.S. § 348.1.

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

6. We observed whether receipting, depositing, and reconciling functions were performed by separate employees.

Finding: The receipting, depositing, and reconciling functions were not performed by separate employees.

7. We randomly selected 20 runs from the 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:
 - i. Trace receipt number from billing records to receipt.
 - ii. Trace receipt to deposit slip.
 - iii. Observe cash/check composition of deposits to the receipts issued.
 - iv. Observe whether receipts are pre-numbered and issued in numerical order.
 - v. Observe date of receipts to date of deposit slip.
 - vi. For any voided receipts, observe the original receipt.
- E. If no payment was received:
 - i. Observe second billing and/or list sent to collection agency.
 - ii. Observe whether the amount was written off with District Board authorization in the Board minutes.

Finding: The following exceptions were noted as a result of applying the procedures:

D.i. Two instances were noted where receipts were not written for funds deposited.

D.ii. Two instances were noted where the receipt amounts did not agree to the amounts deposited. One instance was noted where a receipt issued for \$10.00 did not appear on a deposit slip.

D.iii. Six instances were noted where the receipt reflected “check” and the deposit slip reflected “cash.”

D.v. Nine instances were noted where funds were not deposited on the date of receipt.

With respect to the other procedures applied, there were no findings.

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8. We reconciled revenues, as reported on the District Estimate of Needs, to bank credits/deposits clearing the bank for the fiscal year.

Finding: A variance of \$310.89 was noted in the reconciliation of revenue reported on the Estimate of Needs to the bank deposits/credits for the fiscal year 2007-2008. Also, a variance of \$48.97 was noted in the reconciliation of revenue reported on the Estimate of Needs to the bank deposits/credits for the fiscal year 2008-2009.

9. We obtained confirmation of ad valorem taxes remitted from the County Treasurer and agreed taxes remitted to District revenue records/reports.

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

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

Finding: The duties of receiving goods, preparing claims, and issuing payments are performed by one District employee.

11. We reconciled checks issued, as reported on the District Estimate of Needs, to bank debits clearing the bank for each fiscal year.

Finding: A variance of \$699.99 was noted in the reconciliation of checks issued as reported on the budget to the Estimate of Needs to bank debits clearing the bank for the fiscal year ending June 30, 2008. Also, a variance of \$58.48 was noted in the reconciliation of checks issued as reported on the budget to the Estimate of Needs to bank debits clearing the bank for the fiscal year ending June 30, 2009.

12. We obtained the District warrant/check register report for comparison with total checks issued; to observe missing and/or voided checks and obtained disposition of missing and/or voided checks.

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

13. We randomly selected 40 checks in order to:
- A. Agree to invoice.
 - B. Agree payee on cancelled check to vendor on invoice.
 - C. Observe the receiving invoice for signature of District employee verifying goods and/or services were received.
 - D. Observe claim approval to District Board minutes.

Finding: Thirteen exceptions were noted where invoices did not have the signature for the verification of goods and services.

With respect to applying procedures A, B, and D, there were no findings.

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14. We selected 100% of disbursements in excess of \$2,500 in order to:
- A. Agree to invoice(s).
 - B. Agree payee on cancelled check to vendor on invoice.
 - C. Inspect the receiving invoice for signature of District employee verifying goods and/or services are received.
 - D. Trace claim approval to District Board minutes.
 - E. Select items requiring bids (greater than \$7,500) in order to:
 - i. Observe proof of publication for the bid.
 - ii. Observe the lowest and best bid was accepted.
 - iii. Observe whether the District Board approved the bid and was recorded in the minutes.

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

15. We observed whether Board members have Official Bond coverage and the amount of coverage.

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

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

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

17. We selected five 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. If there is a record or ledger for accrued leave balances, trace leave used from the employee's timesheet and/or payroll claim to that record or ledger.

Finding: The District accrued annual leave at the beginning of each fiscal year and paid all unused annual leave at June 30, rather than the anniversary "date of hire" of each employee, as per its policy and procedures manual in Section III.

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

18. We observed the publication notice of the District Estimate of Needs.

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

19. We observed whether expenditures have exceeded appropriations in any budget category.

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

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20. We observed the existence of a District policy regarding safeguarding of capital assets.
Finding: The District did not have a written policy on the safeguarding of capital assets.
21. We observed the existence of an equipment inventory list.
There were no findings as a result of applying the procedures.
22. We conducted a physical verification of all the equipment on the inventory list.
There were no findings as a result of applying the procedures.
23. We observed whether there was insurance coverage for fixed assets.
There were no findings as a result of applying the procedures.
24. We obtained Board minutes and reviewed for any unusual items pertinent to EMS operations.
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.

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

October 30, 2009



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