

**VICI-CAMARGO
EMERGENCY
MEDICAL SERVICE
DISTRICT**

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

EMS AGREED-UPON PROCEDURES



Oklahoma State Auditor
& Inspector

**VICI-CAMARGO EMERGENCY MEDICAL SERVICE DISTRICT
AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD JULY 1, 2006 THROUGH 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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April 13, 2009

TO THE BOARD OF TRUSTEES OF THE
VICI-CAMARGO EMERGENCY MEDICAL SERVICE DISTRICT

Transmitted herewith is the agreed-upon procedures report for the Vici-Camargo 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

**VICI-CAMARGO EMERGENCY MEDICAL SERVICE DISTRICT
FOR THE PERIOD JULY 1, 2006 THROUGH JUNE 30, 2008**

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 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 a 3.11 mills ad valorem levy to support the operation of the District. The Vici-Camargo Emergency Medical Service District is comprised of Vici and Camargo in Dewey 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.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

TO THE BOARD OF TRUSTEES OF THE
VICI-CAMARGO EMERGENCY MEDICAL SERVICE DISTRICT

We have performed the procedures enumerated below, which were agreed to by management of the Vici-Camargo 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. Observe whether receipting, depositing, and reconciling functions are performed by separate employees.

Finding: The receipting, depositing, and reconciling functions were not properly segregated to assure adequate internal control structure.

Recommendation: OSAI recommends management be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. The most effective controls lie in management's knowledge of office operations and periodic review of operations.

Views of responsible officials and planned corrective actions: The District Board will review the receipt books and deposit statements at the monthly meeting.

2. Select 100% of the 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 District Board authorization in the Board minutes if the amount was written off.

Finding: As of April 2007, the District lost its certification and could no longer provide emergency medical services. For the time period of this engagement, the District made nine runs. Of those nine runs observed, all runs were charged incorrectly by the third party billing service based on the manner the run sheet was completed by the EMT. The total variance was \$162.69.

Recommendation: OSAI recommends management be aware of the billing services error, and make efforts to ensure the correct amounts are billed.

Views of responsible officials and planned corrective actions: The District will institute in-house billing procedures as soon as it is practical.

With respect to procedures A, C, D, E, F, G, H, I, and J, 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. Compare District cash/cash equivalents in each financial institution to the fair market value of each financial institution's pledged collateral at January and June.

Finding: At June 30, 2007, the District had unsecured deposits of \$18,021.67 at The Bank of Vici. At June 30, 2008, the District had unsecured deposits of \$1,455.15 at The Bank of Vici.

Criteria: Title 62 O.S. § 511 states, "Any custodian of public funds of any kind or character, required by law to secure proper collateral before depositing public funds in a bank or trust company, shall hereafter, in depositing public funds in a bank or trust company whose deposits are insured by the Federal Deposit Insurance Corporation, be required to secure proper collateral only for sums deposited in excess of the amount of deposit insured by such Federal Deposit Insurance Corporation."

Recommendation: OSAI recommends all funds in excess of FDIC coverage (\$100,000) be secured by pledged collateral as set forth in 62 O.S. § 511.

Views of responsible officials and planned corrective actions: We concur with the OSAI recommendation and will comply with this in the future.

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

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

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

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

Recommendation: OSAI recommends management be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. An increased level of review of transactions, cross-training for the financial duties could provide effective oversight by management.

Views of responsible officials and planned corrective actions: The District will have a Board member review and verify that all goods or services are received.

8. Randomly select 20 warrants 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: Two of the 20 expenditures observed had no evidence that the goods or services were received. One of the 20 expenditures observed did not have an invoice detailing the vendor's name.

Recommendation: OSAI recommends all invoices be signed to indicate the goods or services were received. Additionally, the vendor's name should be included on the invoice.

Views of responsible officials and planned corrective actions: The District will comply with OSAI recommendations to have receipt signature and vendor names on receipts in the future.

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

9. We observed each Board member's coverage for Official Bond was included in the District's insurance policy.

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

10. We randomly selected one payroll period and:
 - A. Observed whether all employees prepared timesheets.
 - B. Inspected timesheets for signatures of employees and supervisors.

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

11. We observed the publication notice of the District's Estimate of Needs and whether the District's expenditures exceeded its appropriations in budget category.

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

12. Confirm whether the District's policy regarding safeguarding of capital assets is in accordance with the following criteria:
 - A. Observe the existence of an equipment inventory list.
 - B. Observe documentation of the conduct of a physical inventory.

Finding: The District did not establish a policy regarding safeguarding of assets. The inventory list has not been updated to reflect changes in the inventory. Also, there was no documentation that a physical inventory has been conducted.

Criteria: Title 19 O.S. § 1718.A states, "A district shall maintain, according to its own accounting needs some or all of the funds and account groups in its system of accounts that are consistent with legal and operating requirements and as prescribed by the State Auditor and Inspector. The required funds may include, but not be limited to:

5. A ledger or group of accounts in which to record the details relating to the general fixed assets of the county."

Recommendation: OSAI recommends the Board evaluate its policies and procedures for recording, reporting, and inventorying its fixed assets and equipment and make the necessary changes to improve its controls over this area as set forth in 19 O.S. § 1718.

Views of responsible officials and planned corrective actions: The District is currently conducting a physical inventory for the state ambulance inspection and will be revaluated on a quarterly basis.

13. 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.

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

November 17, 2008



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