

WELEETKA-GRAHAM EMERGENCY MEDICAL SERVICE DISTRICT

JULY 1, 2005 THROUGH
JUNE 30, 2007

EMS AGREED-UPON PROCEDURES



Oklahoma State Auditor
& Inspector

**WELEETKA-GRAHAM EMERGENCY MEDICAL SERVICE DISTRICT
AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2007**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Steve Burrage, CPA
State Auditor and Inspector

August 8, 2008

TO THE BOARD OF TRUSTEES OF THE
WELEETKA-GRAHAM EMERGENCY MEDICAL SERVICE DISTRICT

Transmitted herewith is the agreed-upon procedures report for the Weleetka-Graham Emergency Medical Service District for the period July 1, 2005 through June 30, 2007. 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 "Michelle R. Day".

MICHELLE R. DAY, Esq.
Deputy State Auditor and Inspector

**WELEETKA-GRAHAM EMERGENCY MEDICAL SERVICE DISTRICT
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2007**

INTRODUCTION

Article 10, § 9C of the Oklahoma Constitution authorized the formation of emergency medical service districts and authorized a tax levy not to exceed 3 mills for the purpose of providing funds to support, organize, operate, and maintain district ambulance services. District voters approved the formation of the district and 3 mills levy to support the operation of the district. Per Article 10, § 8A, with the repeal of personal property tax, the millage with the adjustment factor is 3.14 mills. The Weleetka-Graham Emergency Medical Service District is comprised of Independent School Districts I-31 and I-32 in Okfuskee County and was created to provide ambulance service to all citizens in the emergency medical service district.

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.

WELEETKA-GRAHAM EMERGENCY MEDICAL SERVICE DISTRICT

JUNE 30, 2007

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Steve Burrage, CPA
State Auditor and Inspector

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

TO THE BOARD OF TRUSTEES OF THE
WELEETKA-GRAHAM EMERGENCY MEDICAL SERVICE DISTRICT

We have performed the procedures enumerated below, which were agreed to by management of the Weleetka-Graham Emergency Medical Service 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, 2005 through June 30, 2007. 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: Functions are not being performed by separate employees. We also observed that no receipts were issued for monies collected. Further, we were unable to obtain written representations from management concerning the acknowledgement of management responsibilities regarding these functions, which constitutes a limitation on the scope of performing these procedures.

Recommendation: We recommend management be aware of this condition and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management's knowledge of office operations and periodic review of operations. We also recommend receipts be issued whenever monies are collected.

Views of responsible officials and planned corrective actions: Management chose not to respond.

2. We randomly selected 10 run sheets from the dispatch log book to:
 - Trace to the run sheet.
 - Agree fee charged to fee schedule.
 - Trace run to billing records.
 - Trace receipt number from billing records to receipt.
 - Trace receipt to deposit slip.
 - Agree cash/check composition of deposits to the receipts issued.
 - Examine receipts to determine they are pre-numbered and issued in numerical order.
 - Agree date of receipts to date of deposit slip.
 - For any voided receipts, observe the original receipt.
 - Observe second billing and/or list sent to collection agency if no payment was received.
 - Observe EMS Board authorization in the Board minutes if the amount was written off.

Finding: Because receipts were not issued, we were unable to trace receipt number from billing records to receipt; trace receipt to deposit slip; agree cash composition of deposits to the receipts issued; examine receipts to determine they are pre-numbered and issued in numerical order; agree date of receipts to date of deposit slip and for any voided receipts, observe the original receipts. For the ten selected run sheets, we were able to trace them to the dispatch log book, agree the fee charged to the fee schedule and trace the run to billing records. For the ten selected runs, no second billings were required and none of the billings selected were written off. However, we were unable to obtain written acknowledgement of management responsibilities regarding the completeness and accurateness of the information which constitutes a limitation on the scope of performing these procedures.

Recommendation: We recommend that management be fiscally accountable to the citizens of the EMS District.

Views of responsible officials and planned corrective actions: Management chose not to respond.

3. Agree bank reconciliations performed during the year to the financial records.

Finding: We were unable to agree bank reconciliations to financial records because bank reconciliations were not performed.

Recommendation: We recommend bank reconciliations be performed on a monthly basis to ensure accuracy of the financial records.

Views of responsible officials and planned corrective actions: Management chose not to respond.

4. Confirm with financial institutions all cash and cash equivalent balances and investment balances as of June 30.

We were unable to obtain written representations from management concerning the completeness of information, and acknowledgement of management responsibilities; therefore a limitation of scope existed in the performing of this procedure.

5. Compare EMS cash/cash equivalents in each financial institution to the fair market value of each financial institution's pledged collateral at January and June.

We were unable to obtain written representations from management concerning the completeness of information and acknowledgement of management responsibilities; therefore a limitation of scope existed in performing this procedure.

6. Trace amounts of ad valorem taxes remitted from the County Treasurer to the EMS deposit slips.

We were unable to obtain written representations from management concerning the completeness of information and acknowledgement of management responsibilities; therefore a limitation of scope existed in performing this procedure.

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

Finding: These duties are not being performed by separate employees. We were unable to observe claims because claims were not prepared.

Recommendation: We recommend management be fiscally accountable to the citizens of the EMS District.

Views of responsible officials and planned corrective actions: Management chose not to respond.

8. Randomly select 10 checks/warrants/vouchers to:
 - o Agree to invoices.
 - o Agree payee on cancelled check to vendor on invoice.
 - o Inspect the receiving report/invoice for signature of EMS employee who verified goods and/or services were received.
 - o Trace claim approval to EMS Board minutes.

Finding: Invoices were not signed by an EMS employee verifying goods and/or services were received. For the ten selected checks, we were able to agree to an invoice, agree the payee on the cancelled check to the vendor on the invoice, and trace approval to EMS Board minutes. However, we were unable to obtain written acknowledgement of management responsibilities regarding the completeness and accurateness of the information which constitutes a limitation on the scope of performing these procedures.

Recommendation: We recommend that management be fiscally accountable to the citizens of the EMS District.

Views of responsible officials and planned corrective actions: Management chose not to respond.

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

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

10. We randomly selected one payroll period to:
 - o Observe whether all employees prepared timesheets.
 - o Inspect timesheets for signatures of employees and supervisors.

Finding: Timesheets were not prepared by District employees. Therefore, we were unable to observe timesheets and inspect for signatures of employees and supervisors.

Recommendation: We recommend each employee maintain a timesheet. Each timesheet should be signed by the employee attesting to the time worked and approved by the supervisor.

Views of responsible officials and planned corrective actions: Management chose not to respond.

11. Confirm the Weleetka-Graham EMS District's policy regarding safeguarding of capital assets with the following criteria:
 - o Observe the existence of an equipment inventory list.
 - o Observe documentation of the conduct of a physical inventory.
 - o Observe 100% of the ambulances.
 - o Select 10 items from the inventory listing and visually verify.

Finding: There was no documentation of a physical inventory being conducted. We observed the existence of an equipment inventory list, and the ten items selected from the list were visually verified. We also observed the existence of the EMS ambulance(s). However, we were unable to obtain written acknowledgement from management regarding the completeness and accurateness of the information which constitutes a limitation on the scope of performing these procedures.

Recommendation: We recommend that a physical inventory be conducted on an annual basis and documentation of the process and who performed it be maintained.

Views of responsible officials and planned corrective actions: Management chose not to respond.

12. 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 cash, receipts, disbursements, and capital assets for the Weleetka-Graham EMS 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.



MICHELLE R. DAY, Esq.
Deputy State Auditor and Inspector

May 6, 2008



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