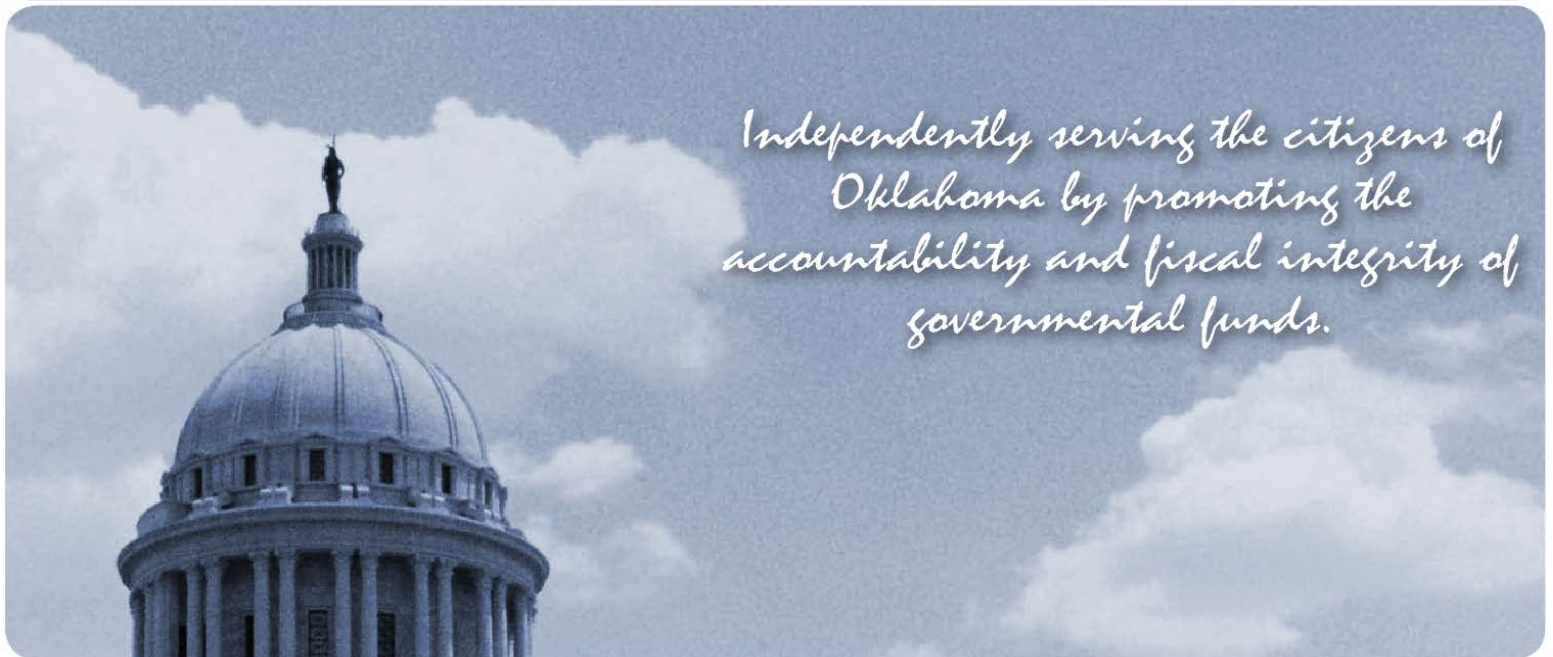


STATUTORY REPORT

BECKHAM EMERGENCY MEDICAL SERVICE DISTRICT

For the fiscal year ended June 30, 2016



*Independently serving the citizens of
Oklahoma by promoting the
accountability and fiscal integrity of
governmental funds.*



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

**BECKHAM COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

October 18, 2017

**TO THE BOARD OF DIRECTORS OF THE
BECKHAM COUNTY EMERGENCY MEDICAL SERVICE DISTRICT**

Transmitted herewith is the audit report of Beckham County Emergency Medical Service District for the fiscal year ended June 30, 2016.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during our engagement.

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones". The signature is written in a cursive style with a long, sweeping tail on the letter "s".

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

**BECKHAM COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
 STATUTORY REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2016

	FY 2016
Beginning Cash Balance, July 1	\$ -
Collections	
Ad Valorem Tax	790,295
Total Collections	790,295
Disbursements	
Personal Services	3,000
Contracts for service:	
City of Erick	55,841
Sinor, Inc.	93,707
City of Elk City Fire Department	204,999
Maintenance and operations	9,859
Total Disbursements	367,406
Ending Cash Balance, June 30	\$ 422,889

Source: District Estimate of Needs (presented for informational purposes)



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Beckham County Emergency Medical Service District
P.O. Box 67
Sayre, Oklahoma 73662

TO THE BOARD OF DIRECTORS OF THE BECKHAM COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

For the purpose of complying with 19 O.S. § 1706.1, we have performed the following procedures:

- Determined that receipts were properly deposited and accurately reported in the accounting records.
- Determined cash balances were accurately reported in the accounting records.
- Determined whether deposits and invested funds were secured by pledged collateral.
- Determined that disbursements were properly supported, were made for purposes outlined in 19 O.S. § 1710.1, and were accurately reported in the accounting records.
- Determined that all purchases requiring bids complied with 19 O.S. § 1723.
- Determined that payroll expenditures were accurately reported in the accounting records and supporting documentation of leave records was maintained.
- Determined that fixed assets records were properly maintained.
- Determined whether the District's collections, disbursements, and cash balances for FY 2016 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Beckham County Emergency Medical Service District.

Our emergency medical service district statutory engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, we do not express an opinion on any basic financial statement of the Beckham County Emergency Medical Service District.

Based on our procedures performed, we have presented our findings in the accompanying schedule.

This report is intended for the information and use of the management of the Beckham County Emergency Medical Service District. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in blue ink that reads "Gary A. Jones". The signature is written in a cursive style with a long horizontal stroke at the end.

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

August 18, 2017

**BECKHAM COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2016-1 - Inadequate Internal Controls and Noncompliance Over the Collection and Disbursement Processes

Condition: Upon inquiry of Beckham County Emergency Medical Service District (the District) personnel and Board members regarding the collection and the disbursement processes, we noted the following weaknesses regarding lack of segregations of duties:

- One person receipts payments, prepares the deposit, delivers or mails the deposit to the bank, receives goods and services, prepares claims, and processes payments.
- There was no evidence of monthly bank reconciliations being performed.

Additionally, the test of six (6) deposits reflected that two (2) deposits were not made in a timely manner.

Further, the test of twenty-six (26) disbursements reflected that for two (2) disbursements, there was no evidence of receiving signature/verification of the accuracy of the invoice.

Cause of Condition: Policies and procedures have not been designed and implemented to sufficiently segregate the collection and disbursement processes, perform monthly bank reconciliations, deposit funds in a timely manner in accordance with state statute, and document verification of receiving goods and or services.

Effect of Condition: A single employee having responsibility for more than one area of the collection and disbursement process, lack of evidence of monthly bank reconciliations, not depositing funds in a timely manner, and lack of verification of receiving goods and or services could result in unrecorded transactions, misstated financial reports, undetected errors, or the misappropriation of funds and noncompliance with state statute.

Recommendation: The Oklahoma State Auditor and Inspector's Office (OSAI) recommends the Board be aware of these conditions and determine if duties can be properly segregated. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office, and having the Board review and approval of accounting functions. We recommend evidence of the Board's review process be clearly documented so as to provide a mitigating control over the lack of segregation of duties for the receipting, depositing, reconciling and the disbursement processes. We additionally recommend funds collected be deposited in a timely manner and the deposit slip be documented in such a manner as to be easily traced to the receipts that have been issued, bank statements be reconciled monthly to District records and a signature and date be evidenced on each invoice as receiving goods and or services.

Management Response:

Chairman of the Board: The Board will be more involved in overseeing the activities of the District

**BECKHAM COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
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including the monthly bank statement reconciliations, timely depositing, and invoice verification. A claim form has been created to record the amount of the disbursement, the date the Board approved the invoice(s) for payment, the check number used to pay the verified invoices, and all documentation will be attached to the claim form.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. Effective internal controls are essential to the achievement of the entity's objectives with regard to the reliability of financial reporting. Effective internal controls require that key functions within a process be adequately segregated to allow for the prevention and detection of errors and possible misappropriation of funds. Funds should be deposited in a timely manner on deposit slips that identify the amounts and entity of the depositor to provide adequate documentation to support the collections, bank reconciliations should be documented and evidence of receiving goods and or services should be evidenced by signature and date.

Further, Title 62 O.S. § 517.3B states in part; "The treasurer of every public entity shall deposit daily, not later than the immediately next banking day..."



OFFICE OF THE STATE AUDITOR & INSPECTOR
2300 N. LINCOLN BOULEVARD, ROOM 100
OKLAHOMA CITY, OK 73105-4896

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