

STATUTORY REPORT

# BLAINE COUNTY 522 EMERGENCY MEDICAL SERVICE DISTRICT

For the fiscal year ended June 30, 2017



*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

**BLAINE COUNTY 522 EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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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

May 29, 2018

**TO THE BOARD OF DIRECTORS OF THE  
BLAINE COUNTY 522 EMERGENCY MEDICAL SERVICE DISTRICT**

Transmitted herewith is the audit report of Blaine County 522 Emergency Medical Service District for the fiscal year ended June 30, 2017.

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.

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

**BLAINE COUNTY 522 EMERGENCY MEDICAL SERVICE DISTRICT  
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**Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2017**

	<u>FY 2017</u>
Beginning Cash Balance, July 1	\$ 95,643
Collections	
Ad Valorem Tax	<u>152,064</u>
Total Collections	<u>152,064</u>
Disbursements	
Contracts for Service:	
City of Watonga	118,288
Okeene EMS District	5,312
Maintenance and Operations	<u>2,272</u>
Total Disbursements	<u>125,872</u>
Ending Cash Balance, June 30	<u>\$ 121,835</u>

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



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Blaine County 522 Emergency Medical Service District  
521 E. 7th  
Watonga, Oklahoma 73772

## **TO THE BOARD OF DIRECTORS OF THE BLAINE COUNTY 522 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 2017 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Blaine County 522 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 Blaine County 522 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 Blaine 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

April 3, 2018

**BLAINE COUNTY 522 EMERGENCY MEDICAL SERVICE DISTRICT  
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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2017-01 - Inadequate Internal Controls Over Lack of Provisions Outlined in the Service Agreement with Emergency Medical Service Provider (Repeat Finding)**

**Condition:** Upon review and observation of the service provider contract for the Blaine County 522 Emergency Medical Service District (the District), the following condition was noted:

- The District contracted with the City of Watonga Ambulance Service to provide ambulance service under a “temporary agreement” dated April 18, 2016.
- This temporary agreement was not renewed for the period audited, July 1, 2016 through June 30, 2017.
- There were no provisions stated in the temporary agreement regarding the duties and responsibilities of either party.
- There was no provision regarding the payments to be made to the Contractor by the District.

During the audit period, the District paid \$118,287.50 to the City of Watonga for ambulance services provided; however, there was no contract in place to specify the term in which the payments for services would be calculated.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure contracts for services specifically address duties and responsibilities of each party, the amount to be paid to the contractor, and the term of the contract.

**Effect of Condition:** These conditions could result in financial disputes, legal expenses, lapse in effective service coverage, and undetected errors.

**Recommendation:** The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends the District enter into a contract with the service provider that specifically outlines duties and responsibilities of each party, the amount to be paid to the contractor, and the term of the contract.

**Management Response:**

**Chairman of the Board:** The Board has contracted with the City of Watonga and prepared a formal contract with the Contractor detailing duties and responsibilities of each party, the amount to be paid to the contractor, and the term of the contract. The temporary agreement has been finalized and updated as of the date of our review.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, effective internal controls would dictate that a formal contract between the District and the provider of services be prepared and signed by both parties prior to services being rendered for payment.

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Additionally, Article 10 § 9C of the Oklahoma Constitution depicts an Emergency Medical Service District can be voted on and established "...for the purpose of providing funds for the purpose of support, organization, operation and maintenance of district ambulance services, known as emergency medical service district..."

Title 19 O.S. § 1710.1(B) states, "Emergency medical service districts formed pursuant to said Section 9C of Article X of the Oklahoma Constitution may own and operate the ambulance service or may provide ambulance service through contracts with one or more ambulance service providers."

**Finding 2017-02 - Inadequate Internal Controls Over the Disbursement Process (Repeat Finding)**

**Condition:** Based upon inquiry of the District Treasurer, Chairman, and observation of disbursement records, five (5) of the total eleven (11) disbursements tested reflected payments made prior to Board approval.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure documentation of Board approval of disbursements prior to issuing payments.

**Effect of Condition:** Processing payments prior to Board approval could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds.

**Recommendation:** OSAI recommends evidence of Board approval of claims be documented by the District Board in the Board minutes prior to payment of the claim.

**Management Response:**

**Chairman of the Board:** The Board will ensure the approval of all claims in an Open Meeting prior to the disbursement of funds. In the event funds must be disbursed prior to a scheduled quarterly meeting, the Board will authorize the approval of the disbursement by formal policy detailing the process, including the signature of at least two Board members on the invoice/statement.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, key duties and responsibilities should be segregated among different individuals to reduce the risk of error or fraud. No one individual should have the ability to authorize transactions, have physical custody of assets, and record transactions. Internal controls should be established to analyze and check accuracy, completeness, authorization, and validity of transactions.





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