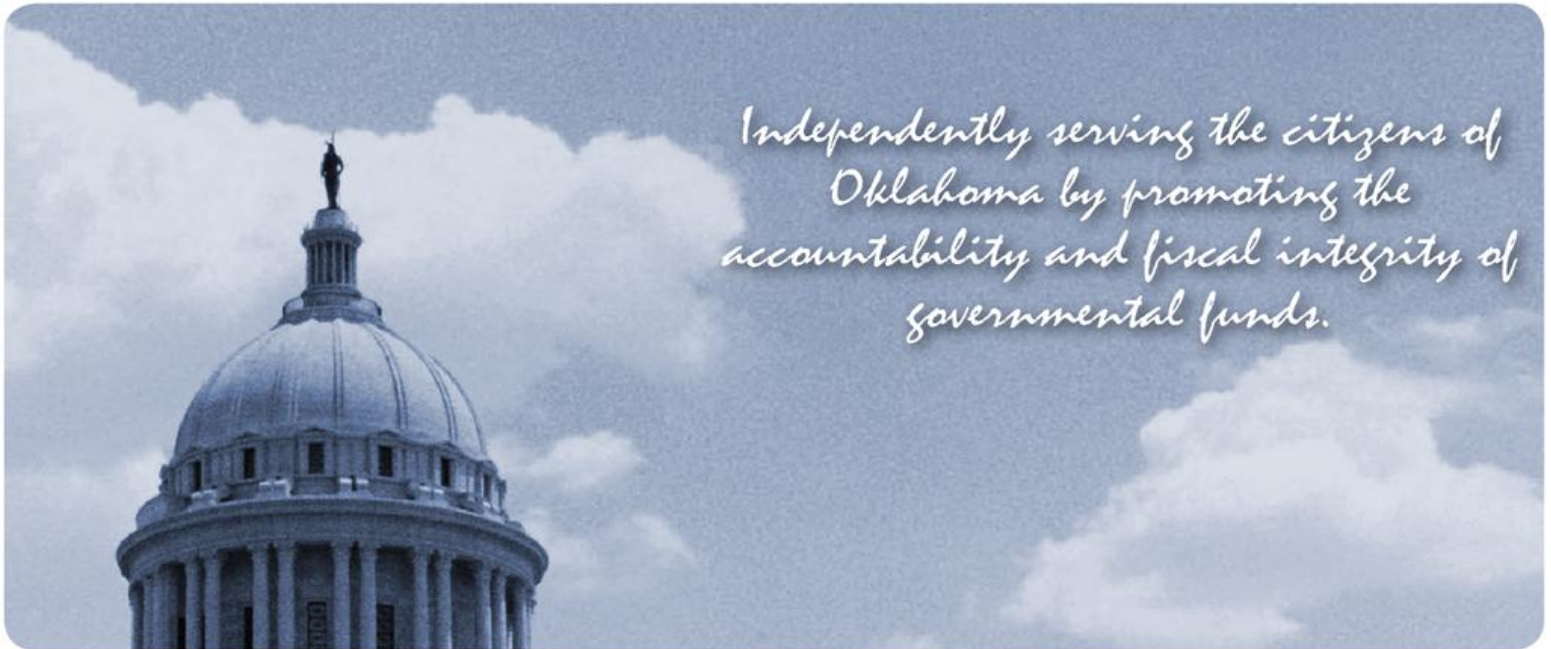


STATUTORY REPORT

COTTON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

For the period July 1, 2008 through June 30, 2013



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

**COTTON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2013**

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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 6, 2014

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

Transmitted herewith is the audit report of Cotton County Emergency Medical Service District for the period July 1, 2008 through June 30, 2013.

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, appearing to read "Gary A. Jones", is written over a horizontal line.

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

**COTTON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
JULY 1, 2008 THROUGH JUNE 30, 2013**

Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2009 and FY 2010

	<u>FY 2009</u>	<u>FY 2010</u>
Beginning Cash Balance, July 1	<u>\$ 83,009</u>	<u>\$ 91,155</u>
Collections		
Ad Valorem Tax	94,683	99,327
Charges for Services	-	-
Miscellaneous	332	1,011
Total Collections	<u>95,015</u>	<u>100,338</u>
Disbursements		
Provider Contract	73,505	81,600
Maintenance and Operations	8,927	9,850
Audit Expense	4,437	-
Total Disbursements	<u>86,869</u>	<u>91,450</u>
Ending Cash Balance, June 30	<u>\$ 91,155</u>	<u>\$ 100,043</u>

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

**COTTON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
JULY 1, 2008 THROUGH JUNE 30, 2013**

Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2011 and FY 2012

	<u>FY 2011</u>	<u>FY 2012</u>
Beginning Cash Balance, July 1	\$ 100,043	\$ 162,265
Collections		
Ad Valorem Tax	101,744	107,468
Charges for Services	-	-
Miscellaneous	116	925
Total Collections	<u>101,860</u>	<u>108,393</u>
Disbursements		
Provider Contract	30,254	18,000
Maintenance and Operations	9,384	4,395
Audit Expense	-	-
Total Disbursements	<u>39,638</u>	<u>22,395</u>
Ending Cash Balance, June 30	<u>\$ 162,265</u>	<u>\$ 248,263</u>

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

**COTTON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
JULY 1, 2008 THROUGH JUNE 30, 2013**

Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2013

	<u>FY 2013</u>
Beginning Cash Balance, July 1	\$ 248,263
Collections	
Ad Valorem Tax	108,122
Charges for Services	-
Miscellaneous	210
Total Collections	<u>108,332</u>
Disbursements	
Provider Contract	179,500
Maintenance and Operations	4,039
Audit Expense	-
Total Disbursements	<u>183,539</u>
Ending Cash Balance, June 30	<u>\$ 173,056</u>

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



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Cotton County Emergency Medical Service District
301 N. Broadway
Walters, Oklahoma 73572

TO THE BOARD OF DIRECTORS OF THE COTTON 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 2012 and FY 2013 were accurately presented on the estimate of needs.

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

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 Cotton 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 Cotton 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, appearing to read "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

October 6, 2014

**COTTON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
JULY 1, 2008 THROUGH JUNE 30, 2013**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 1 - 2014 – Funding of Audit Expense Account

Condition: For the period of July 1, 2008 through June 30, 2013, it was noted that the District appropriated more than the mandatory one-tenth mill to the audit budget account. However, balances from previous years were not properly carried forward.

Cause of Condition: Procedures have not been designed to ensure compliance with 19 O.S § 1706.1.

Effect of Condition: This condition resulted in noncompliance with the statute and under funding of the audit expense account.

Recommendation: OSAI recommends that the District implement policies and procedures designed to ensure that one-tenth mill upon the net total assessed valuation be set aside in the audit expense account, and that any unused portion be lapsed into the next year audit expense account in accordance with 19 O.S. § 1706.1.

Management Response: The EMS District will discuss this issue with the Budget maker to ensure that only the mandatory one-tenth mill is budgeted in the audit account. Also the EMS District will obtain written documentation before the balance is lapsed.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. A component objective of an effective internal control system is to provide accurate and reliable information through proper review and approval.

Further, according to 19 O.S. § 1706.1, the District must appropriate the net proceeds of the one-tenth mill annual ad valorem levy upon the net total assessed valuation of the District for audit expenses.

Finding 2 – 2014 - Expenditure Process

Condition: While testing expenditures for the Cotton County Emergency Medical Service District, the following exceptions were noted:

- For the period July 1, 2008 through June 30, 2009, of the 21 expenditures tested, 6 did not have evidence of a receiving signature or verification of accuracy on the invoice.
- For the period July 1, 2009 through June 30, 2010, of the 18 expenditures tested, 1 did not have evidence of a receiving signature or verification of accuracy on the invoice. Of the 18 expenditures tested 1 had no invoice attached.
- For the period July 1, 2010 through June 30, 2011, of the 16 expenditures tested, 1 did not have an invoice, and 5 did not have evidence of a receiving signature or verification of accuracy on the invoice.

**COTTON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
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- For the period July 1, 2011 through June 30, 2012, of the 18 expenditures tested, 5 did not have evidence of a receiving signature or verification of accuracy on the invoice.
- For the period July 1, 2012 through June 30, 2013, of the 18 expenditures tested, 1 did not have an invoice, and 4 did not have evidence of a receiving signature or verification of accuracy on the invoice.

Additionally, the District Board meeting minutes documented that the expenditures were approved for payment but only after the Board of Commissioners had made the payment. Therefore, payments are being made and sent to the vendor before Board approval.

Cause of Condition: Policies and procedures have not been designed to check completeness, authorization, and provide adequate documentation to support disbursements.

Recommendation: OSAI recommends all invoices, tickets and/or statements documenting the District's disbursements be signed by a Board member, taking responsibility for verifying the goods or services were received. OSAI also recommends that the EMS expenditures be approved by the Board before payment is issued to the vendors. Furthermore, the Board minutes currently only reflect that disbursements are approved for payment. The Board minutes should include the vendor, the purchase order/claim number, and the amount approved for payment.

Management Response: The expenditure process will be reviewed by the Board to determine how the District will document the review and approval process as necessary. In the future, all invoices will be signed and dated by a Board member to document that the goods and services were received and that the invoice was checked for accuracy.

Criteria: Internal controls should be designed to analyze and check accuracy, completeness, and authorization of disbursements and/or transactions.

An aspect of internal control is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process, affected by the entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or untimely detection of unauthorized acquisition, use, or disposition of the entity's assets and safeguarding assets from loss, damage, or misappropriation.



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