

STATUTORY REPORT

GLENPOOL 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

**GLENPOOL 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 123 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

January 3, 2019

**TO THE BOARD OF DIRECTORS OF THE
GLENPOOL EMERGENCY MEDICAL SERVICE DISTRICT**

Transmitted herewith is the audit report of Glenpool 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 with a long, sweeping tail on the letter "s".

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

**GLENPOOL 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	<u>\$ 407,670</u>
Collections	
Ad Valorem Tax	247,334
Miscellaneous	34
Total Collections	<u>247,368</u>
Disbursements	
Employee Contracts	10,865
Travel	5,830
Contract for Services	144,000
Maintenance and Operations	116,766
Capital Outlay	71,085
Audit Expense	10,232
Total Disbursements	<u>358,778</u>
Ending Cash Balance, June 30	<u>\$ 296,260</u>

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



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Glenpool Emergency Medical Service District
12205 S. Yukon Ave.
Glenpool, Oklahoma 74033

TO THE BOARD OF DIRECTORS OF THE GLENPOOL 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 Glenpool 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 Glenpool 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 Glenpool 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

November 5, 2018

**GLENPOOL EMERGENCY MEDICAL SERVICE DISTRICT
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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2017-003 – Inadequate Internal Controls and Noncompliance Over the Bidding Process

Condition: The District purchased two Physio Control Monitor/Defibrillator's for \$71,713 that are located at the Glenpool Fire Department.

Additionally, Board Minutes did not reflect a bid was solicited and awarded or documented as sole source to provide evidence the bid process was conducted.

Although the District required monitor/defibrillators to be compatible with the other service equipment including Mercy, EMSA, and Creek County Emergency Medical Service providers, these items should have been solicited for bid to provide evidence that the lowest and best price was obtained.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure that disbursements are competitively bid in compliance with the state statute.

Effect of Condition: These conditions resulted in noncompliance with state statutes, and could result in inaccurate records, incomplete information, or misappropriation of assets.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure that purchases of equipment over \$15,000.00 are competitively bid in compliance with state statutes.

Effect of Condition: This condition resulted in noncompliance with state statutes and could result in inaccurate records, incomplete information, or misappropriation of assets.

Recommendation: OSAI recommends that the District research items that are to be purchased and make every effort to obtain the best price for the District. Further, purchases in excess of \$15,000 should be competitively bid in accordance with state statutes.

Management Response:

District Administrator: The purchase was verbally recognized during the Board meeting as a sole source provider which is exempted from the bidding process under the County Purchasing Act; however, management acknowledges that documentation is insufficient to support the sole source status.

Chairman Response: The Chairman concurs with the management response.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. Effective internal controls are essential to provide reasonable assurance about the achievement of the entity's objectives regarding reliability of financial reporting and compliance with applicable laws and regulations.

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Title 19 O.S. § 1723 requires Districts to make equipment purchases in accordance with the county purchase procedures as outlined in 19 O.S. § 1501 and 1505, which requires all purchases in excess of \$15,000 be competitively bid, including using the state approved contracts for the purchase of equipment.

Further, Title 19 O.S. § 1505(B) requires the counties to solicit bids, compare them to the state contract price for the items, and select “the lowest and best bid based upon, if applicable, the availability of material and transportation cost to the job site within 30 days,” specifying the reason “any time the lowest bid was not considered to be the lowest and best bid.”

Finding 2017-004 – Inadequate Internal Controls Over Fixed Assets Inventory Records (Repeat Finding)

Condition: Based on inquiry of the District Treasurer, observation of the fixed assets inventory record process, and review of the District’s disbursements, the following exceptions were noted:

- The District provides the funding for the occasional purchases of fixed assets to be used by the Contract Service Provider.
- The District does not maintain an inventory listing of these fixed assets.
- The District does not have insurance policies for capital equipment.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure fixed assets inventory is properly maintained, safeguarded, and updated through a periodic review by the District of fixed assets.

Effect of Condition: These conditions could result in inadequate equipment inventory records, uninsured equipment, and misappropriation of assets.

Recommendation: OSAI recommends policies and procedures be designed and implemented to document that an annual physical inventory verification is performed by someone other than the individual maintaining inventory. The reviewer should sign and date the annual review to document accuracy and completeness. In addition, the District should ensure that fixed assets insurance policies are in the name of the District.

Management Response:

District Administrator: The District purchased two cardiac monitors in FY 2017. The monitors are the only capital assets in the District’s inventory. A fixed asset program is available for the District to use. The District staff will enter the fixed assets and maintain the inventory from this point forward. Additionally, the District staff has added the District as an additional entity to the City of Glenpool’s insurance policies and further, added the cardiac monitors, the only equipment owned by the District.

Chairman Response: The Chairman concurs with the management response.

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Criteria: An important 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 timely detection of unauthorized acquisition, use, or disposition of the entity's assets and safeguarding assets from loss, damage, or misappropriation, including annual verification of fixed assets and ensure insurance policies are in the name of the District.



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