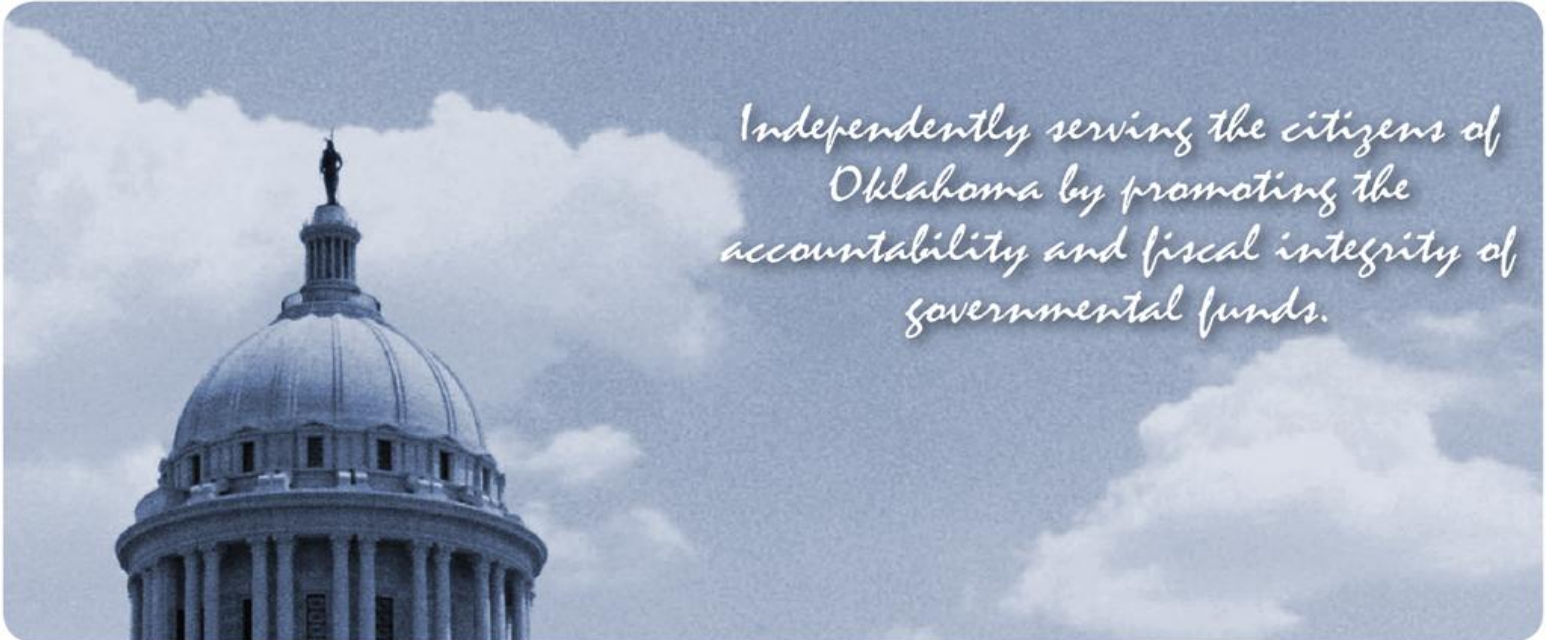


STATUTORY AUDIT

# HASKELL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

For the period July 1, 2007 through June 30, 2013



*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

**HASKELL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE PERIOD JULY 1, 2007 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

May 22, 2014

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

Transmitted herewith is the audit report of Haskell County Emergency Medical Service District for the period July 1, 2007 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".

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

**HASKELL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
 STATUTORY REPORT  
 JULY 1, 2007 THROUGH JUNE 30, 2013**

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**Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2012 and FY 2013**

	<u>FY 2012</u>	<u>FY 2013</u>
Beginning Cash Balance, July 1	\$ 188,210	\$ 233,502
Collections		
Ad Valorem Tax	163,068	160,424
Cash Fund Balance Forward	4,491	6,111
Miscellaneous	4,622	1,239
Total Collections	<u>172,181</u>	<u>167,774</u>
Disbursements		
Personal Services	126,889	147,804
Audit Expense	-	-
Total Disbursements	<u>126,889</u>	<u>147,804</u>
Ending Cash Balance, June 30	<u>\$ 233,502</u>	<u>\$ 253,472</u>

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



# Oklahoma State Auditor & Inspector

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Haskell County Emergency Medical Service District  
202 East Main  
Stigler, Oklahoma 74462

## **TO THE BOARD OF DIRECTORS OF THE HASKELL 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 Haskell 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 Haskell 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 Haskell 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

December 12, 2013

**HASKELL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
JULY 1, 2007 THROUGH JUNE 30, 2013**

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 1 - Annual Budget Preparation**

**Condition:** For the period of July 1, 2007 through June 30, 2010, the Haskell County Emergency Medical Service District (the District) did not complete and approve an annual budget. Rather, the District's budget was incorporated into the Haskell County budget.

Further, for the period of July 1, 2007 through June 30, 2013, the District did not appropriate the mandatory one-tenth mill to the audit expense account.

**Cause of Condition:** Prior to July 1, 2010, procedures had not been designed to ensure compliance with 19 O.S. § 1708. Additionally, procedures have not been designed to ensure compliance with 19 O.S § 1706.1.

**Effect of Condition:** This condition resulted in noncompliance with state statutes and underfunding of the audit expense account. Further, balances from previous years were not properly carried forward.

**Recommendation:** The Oklahoma State Auditor & Inspector's Office (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's audit expense account in accordance with 19 O.S. § 1706.1.

**Management Response:**

**EMS Board Chairman:** This condition has been corrected. The EMS budget is now separate from the county budget. The 2013 should be correct. We have a meeting set up with the budget maker to make sure that we go over what needs to be itemized and documented.

**Criteria:** 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.

Title 19 O.S. § 1708 states: "The board shall prepare for each budget year a budget for each fund whose activities require funding through appropriation, such as general, capital projects and debt service."

**HASKELL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
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**Finding 2 - Expenditures**

**Condition:** For the period of July 1, 2012 through June 30, 2013, of the nineteen expenditures tested five cash voucher claims could not be located. The following are the five missing cash voucher claims:

<b>Vendor</b>	<b>Purpose</b>	<b>Warrant#</b>	<b>Amount</b>
Muskogee Communications	Radio Repeater	74	\$8,859.00
Southeast EMS	Contract Service	75	\$10,000.00
Southeast EMS	Contract Service	92	\$10,000.00
Muskogee Communications	Unknown	151	\$10,000.00
Southeast EMS	Contract Service	117	\$10,000.00

**Cause of Condition:** Policies and procedures have not been designed to ensure supporting documentation for all purchases is maintained by the District.

**Effect of Condition:** This condition could result in inaccurate records, incomplete information or misappropriation of assets.

**Recommendation:** OSAI recommends that the District locate the missing cash voucher claims and file them accordingly. Further, OSAI recommends the District ensure all purchases are filed and maintained with all relevant supporting documentation.

**Management Response:**

**EMS Board Chairman:** The County Clerk stated she would work to find these claims. I will work to make sure that all expenditures are properly documented.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. Effective internal controls are essential to help achieve the entity's objectives with regard to the reliability of financial reporting. Such effective internal controls would include ensuring all supporting documentation related to disbursements be attached to the purchase order and cash voucher claim prior to approval for payment.

**Finding 3 – District Board Status**

**Condition:** As of December 6, 2004, the Haskell County Board of County Commissioners signed a resolution to become the acting board for the District due to a lack of insurance coverage.

**Cause of Condition:** Policies and procedures have not been designed to ensure the District operates in accordance with Article 10 § 9C (a) of the Oklahoma Constitution.



**HASKELL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
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**Effect of Condition:** This condition resulted in noncompliance with the Oklahoma Constitution concerning the existence and responsibilities of a District Board.

**Recommendation:** OSAI recommends that the Haskell County Board of County Commissioners appoint a five member board to become the District Board to ensure compliance with Article 10 § 9C (a).

In addition, OSAI recommends the District be aware of all constitutional and statutory requirements that pertain to emergency medical service districts.

**Management Response:**

**EMS Board Chairman:** We will address this issue in our next board meeting and compose a board of at least 5 members as required.

**Criteria:** Article 10 § 9C (a) of the Oklahoma Constitution states in part: “Each district which is herein authorized, or established, shall have a board of trustees composed of not less than five members. Such trustees shall be chosen jointly by the board or boards of county commissioner, provided that such membership shall be composed of not less than one individual from each county or part thereof which is included in said district.”

**Finding 4 - Inventory Records**

**Condition:** The District did not have an up to date inventory list available for review.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure inventory is properly accounted for, maintained, and updated regularly by the District.

**Effect of Condition:** This condition could result in errors and improprieties, unrecorded transactions, misappropriation of assets, or loss of District equipment.

**Recommendation:** OSAI recommends that policies and procedures be implemented to ensure inventory is updated on an ongoing basis. Furthermore, OSAI recommends physical inventory verification, by someone other than the individual in charge of inventory, be completed and documented annually to verify inventory on hand.

**Management Response:**

**EMS Board Chairman:** We are in the process of compiling an inventory list.

**Criteria:** 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.

**HASKELL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
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**Finding 5 - Contract Service**

**Condition:** During the audit period, contracts between the District and the ambulance service providers could not be located for the following dates :

- July 1, 2007 through February 11, 2008.
- November 3, 2009 through January 1, 2011.
- January 1, 2012 through June 30, 2013.

The District had a contract on file with an ambulance service provider for the period of February 11, 2008 through November 3, 2009. The District had a contract on file with a different ambulance service provider for the period of January 1, 2011 through January 1, 2012.

**Cause of Condition:** Policies and procedures have not been designed to ensure current contracts are maintained between the District and the ambulance service providers.

**Effect of Condition:** This condition could result in liability and accountability issues for the District.

**Recommendation:** OSAI recommends that contracts be executed and signed by the District and the ambulance service providers in order that services can legally, be provided to citizens of Haskell County. These contracts should be executed and signed annually by all parties involved.

**Management Response:**

**EMS Board Chairman:** We are calling the ambulance service provider to make sure that we have a signed contract at all times.

**Criteria:** Title 19 O.S. § 1710.1 (B) depicts the statutory ability for contracting ambulance services with an ambulance service provider. To ensure such a contract is binding and up to date, the District should always maintain a current contract with any ambulance service providers.

**Finding 6 - Inadequate Board Meeting Documentation**

**Condition:** The District was unable to provide any documentation of board meetings held from July 1, 2007 through October 6, 2008.

**Cause of Condition:** Policies and procedures have not been designed to ensure compliance with Title 25 O.S. § 312.A of the Open Meeting Act.

**Effect of Condition:** This condition resulted in noncompliance with state statute regarding the Open Meeting Act concerning the existence and retention of board meeting minutes.

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**Recommendation:** OSAI recommends the District maintain written minutes for all board meetings to ensure compliance with Title 25 O.S. § 312.A.

**Management Response:**

**EMS Board Chairman:** This issue has been corrected.

**Criteria:** Title 25 O.S. § 312.A states: “The proceedings of a public body shall be kept by a person so designated by such public body in the form of written minutes which shall be an official summary of proceedings showing clearly those members present and absent, all matters considered by the public body, and all actions taken by such public body. The minutes of each meeting shall be open to public inspection and shall reflect the manner and time of notice required by this act.”



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

**[WWW.SAI.OK.GOV](http://WWW.SAI.OK.GOV)**