



# HASKELL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

## Statutory Report

For the fiscal year ended June 30, 2018

**Cindy Byrd, CPA**  
State Auditor & Inspector

**HASKELL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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Cindy Byrd, CPA | State Auditor & Inspector

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January 28, 2019

**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 fiscal year ended June 30, 2018.

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 "Cindy Byrd". The signature is fluid and cursive, written in a professional style.

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR



**HASKELL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
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**Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2018.**

|                                       | <b>FY 2018</b> |
|---------------------------------------|----------------|
| Beginning Cash Balance, July 1        | \$ 257,553     |
| Collections                           |                |
| Ad Valorem Tax                        | 184,537        |
| Rent Reimbursements                   | 4,050          |
| Miscellaneous                         | 4,976          |
| Total Collections                     | 193,563        |
| Disbursements                         |                |
| Contract for Services - Pafford EMS   | 70,000         |
| Contract for Services - Southeast EMS | 50,000         |
| Maintenance and Operations            | 14,003         |
| Audit Expense                         | 6,879          |
| Total Disbursements                   | 140,882        |
| Ending Cash Balance, June 30          | \$ 310,234     |

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

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

**TO THE BOARD OF DIRECTORS OF THE  
HASKELL 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 2018 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Haskell 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 Haskell 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 Emergency Medical Service District. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

December 10, 2018

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2018-001 – Internal Controls Over the Disbursement Process (Repeat Finding)**

**Condition:** Upon inquiry of the Haskell County Emergency Medical Service District (the District) Board Chairman, observation of the disbursement process, and the review of forty-nine (49) claims submitted for payment, the following exceptions were noted:

- Twelve (12) claims for services provided to the District did not have evidence of a receiving signature, receiving reports, or verification of the invoice.
- Thirty-nine (39) claims were not reviewed by the District Board nor detailed in the Board minutes for Board approval. These claims for utilities and miscellaneous expenses were approved in the Board of County Commissioners meetings.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure the claim includes evidence of verification of receiving the goods or services, and to ensure the District Board minutes provide adequate detail of each disbursement as approved by the District Board.

**Effect of Condition:** These conditions could result in inaccurate records, incomplete information, and could result in misappropriation of assets.

**Recommendation:** The Oklahoma State Auditor and Inspector's Office (OSAI) recommends the District implement a system of internal controls to ensure that disbursements are supported by a receiving report or verification of the accuracy of the invoice and documented in the District Board minutes as approved for each disbursement check issued.

**Management Response:**

**Board Chairman:** In the future, the District will ensure that all disbursements are supported by a receiving report and approved by the Board in the monthly meeting.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. Internal controls should be established to analyze and check accuracy, completeness, authorization, and validity of transactions, including evidence of receiving goods or services. Effective internal controls are essential to help achieve the entity's objectives regarding the reliability of financial reporting. Such effective internal controls include ensuring all claims are completed in their entirety and have supporting documentation related to disbursements attached to the claim prior to District Board approval for payment. In addition, effective internal controls include verifying that the invoice is accurate and has proper District Board approval for disbursements.

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**Finding 2018-002 – Internal Controls Over Fixed Assets Inventory Records (Repeat Finding)**

**Condition:** Based on inquiry of the District Board Chairman, observation of the fixed assets inventory record process, and review of the District’s equipment inventory records, the following exceptions were noted:

- Documentation was not maintained to determine that an annual physical inventory verification was performed of fixed assets, including segregating duties of the individual that performed the review, and the individual that maintained the fixed assets inventory records.
- The insurance policy for fixed assets was in the name of the Haskell County Commissioners rather than the Haskell County Emergency Service District.

**Cause of Condition:** Although the Board has made some improvements over fixed assets inventory internal controls, policies and procedures have not been completely 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 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:**

**Board Chairman:** The District has already began performing annual fixed assets inventory verifications. The last one was performed was documented, signed and dated August 6, 2018 by the Emergency Management Director. The District will have insurance policies changed from Haskell County to Haskell County Emergency Medical Service District.

**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 insurance policies are in the name of the District.



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**Finding 2018-003 – Inadequate Internal Controls and Noncompliance Over Contract Service Providers**

**Condition:** While reviewing the service contracts between the District and Southeast Emergency Medical Services (SEEMS), the following exceptions were noted:

The contract states, in part,

“For ambulance and emergency medical services, the County agrees to pay, for the duration of this agreement from the Haskell County Emergency Service District Tax millage fund. Payment shall be made from current revenues available to the County at the end of each month during the term of this Agreement. SEEMS shall enter the amount of the bid on the Haskell County bid documents provided with the bid package.”

However, SEEMS did not submit a bid for services; therefore, we were unable to verify contract payments were properly made to SEEMS.

Additionally, the District entered into a contract with Pafford EMS for the period of February 5, 2018 through February 5, 2019, exceeding the fiscal year obligation for the District.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure the contract terms and conditions of the service contracts are completed and followed. Additionally, contracts should be renewed in conjunction with the fiscal year.

**Effect of Condition:** These conditions resulted in noncompliance of the service contract terms and could result in misappropriation of funds. Also, conditions resulted in obligations extending into more than one fiscal year.

**Recommendation:** OSAI recommends the District Board design and implement policies and procedures to ensure compliance with the terms and conditions of service contracts and contracts are renewed at the end of each fiscal year.

**Management Response:**

**Board Chairman:** The District will revise the contract to state the amount the District is to pay the provider per month for services. The contract will be renewed by the Board at the end of each fiscal year for the ensuing physical year.

**Criteria:** Accountability and stewardship are overall goals of the District Board in the accounting of funds. Internal controls over safeguarding of assets constitute a process affected by an entity’s governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and/or misappropriation of funds. Key factors in this system would include the District Board ensure compliance with the provisions of the service contracts and ensure contracts are approved for renewal at the end of each fiscal year.



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