



# LATIMER COUNTY EMERGENCY MEDICAL SERVICE TRUST AUTHORITY

## Statutory Report

For the fiscal year ended June 30, 2021

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

**LATIMER COUNTY EMERGENCY MEDICAL SERVICE TRUST AUTHORITY  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 19 O.S. § 1706.1, has not been printed, but is available on the agency's website ([www.sai.ok.gov](http://www.sai.ok.gov)) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



April 17, 2023

**TO THE BOARD OF DIRECTORS OF THE  
LATIMER COUNTY EMERGENCY MEDICAL SERVICE TRUST AUTHORITY**

Transmitted herewith is the audit report of Latimer County Emergency Medical Service Trust Authority for the fiscal year ended June 30, 2021.

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".

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

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**Presentation of Collections, Disbursements, and Cash Balances of Authority Funds for FY 2021**

	<u>General Fund</u>
Beginning Cash Balance, July 1	<u>\$ 386,097</u>
Collections	
Ad Valorem Tax	192,316
Miscellaneous	6,668
Total Collections	<u>198,984</u>
Disbursements	
Contract Service Provider	156,000
Maintenance and Operations	112,884
Total Disbursements	<u>268,884</u>
Ending Cash Balance, June 30	<u><u>\$ 316,197</u></u>

*Presented for informational purposes.*



Latimer County Emergency Medical Service Trust Authority  
111 North Central, Suite 103  
Wilburton, Oklahoma 74578

**TO THE BOARD OF DIRECTORS OF THE  
LATIMER COUNTY EMERGENCY MEDICAL SERVICE TRUST AUTHORITY**

For the purpose of complying with 19 O.S. § 1706.1, we have performed the following procedures:

- Determined 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 for the fiscal year ended June 30, 2021 were secured by pledged collateral.
- Determined disbursements were properly supported, were made for purposes outlined in 19 O.S. § 1710.1 and were accurately reported in the accounting records.
- Determined fixed assets records were properly maintained.
- Determined compliance with contract service providers.
- Determined whether the Authority's collections, disbursements, and cash balances for the fiscal year ended June 30, 2021 were accurately presented on the estimate of needs.

All information included in the records of the Authority is the representation of the Latimer County Emergency Medical Service Trust Authority

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 Latimer County Emergency Medical Service Trust Authority.

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 Latimer County Emergency Medical Service Trust Authority. 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

November 11, 2022

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2021 -001 – Lack of Internal Controls and Noncompliance Over Board Meetings, Minutes, and Agendas (Repeat Finding)**

**Condition:** Upon observation and review of the Latimer County Emergency Medical Service Trust Authority (Authority) Board documents provided by the Latimer County Clerk, and numerous attempts to contact the former Board Chairman, the following weaknesses were noted:

- Authority Board minutes for twelve (12) regular meetings could not be located.
- Authority Board agendas for eleven (11) regular meetings could not be located; only the September 1, 2020 agenda was filed with the County Clerk.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure that the agendas are posted and that all relevant discussions in the meetings are properly documented and retained in the Board minutes in accordance with state statutes.

**Effect of Condition:** These conditions resulted in noncompliance with state statutes regarding the Open Meeting Act concerning the existence and retention of Board Meeting Minutes and Agendas.

**Recommendation:** The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends the Authority maintain written minutes for all Board meetings and post all agendas prior to the meeting to ensure compliance with the Open Meetings Act.

**Management Response:**

**Board Chairman Response:** The Authority Board will be having regularly scheduled meetings, and all minutes and agendas will be maintained at the Latimer County Clerk’s office.

**Criteria:** The United States Government Accountability Office’s *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasi-governmental entities.

The GAO Standards – Section 2 – Objectives of an Entity - OV2.23 states in part:

*Compliance Objectives*

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

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Title 25 O.S. § 311(B)(1) states, “All agendas required pursuant to the provisions of this section shall identify all items of business to be transacted by a public body at a meeting including, but not limited to, any proposed executive session for the purpose of engaging in deliberations or rendering a final or intermediate decision in an individual proceeding prescribed by the Administrative Procedures Act.”

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 the 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.”

**Finding 2021-002 – Lack of Internal Controls and Noncompliance Over Fidelity Bond Insurance for Board Members**

**Condition:** The Authority Board members did not obtain Fidelity Bond insurance as required by the Oklahoma Constitution.

**Cause of Condition:** The Authority Board was not aware of the need for the Authority Board members to obtain Fidelity Bond insurance in the amount of \$10,000 is a requirement for all Authority Board members.

**Effect of Condition:** This condition resulted in noncompliance with the Oklahoma Constitution.

**Recommendation:** OSAI recommends the Authority Board develop policies and procedures to ensure the Board members obtain a minimum of \$10,000 in Fidelity Bond insurance for each Authority Board member to comply with the Oklahoma Constitution.

**Management Response:**

**Board Chairman Response:** The Authority Board is actively looking for an insurance company to provide the required Fidelity Bond insurance of \$10,000 for each Authority Board member.

**Criteria:** The GAO Standards – Section 2 – Objectives of an Entity - OV2.23 states in part:

*Compliance Objectives*

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

Article 10 § 9C(a) of the Oklahoma Constitution states in part “... Such board of trustees shall have the power and duty to promulgate and adopt such rules, procedures and contract provisions necessary to carry out the purposes and objectives of these provisions and shall individually

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post such bond as required by the county commissioners, which shall not be less than Ten Thousand Dollars (\$10,000.00). ...”

**Finding 2021-003 – Lack of Internal Controls Over the Disbursement Process**

**Condition:** Upon inquiry of designated Authority office personnel the following weaknesses were noted in the disbursement process:

- There was no evidence that the Authority Board met regularly to approve disbursements.
- The disbursement process included the approval of the Latimer County Board of County Commissioners as signers on the purchase orders submitted for payment, rather than the Authority Board.

Additionally, upon review of the Authority’s twenty (20) disbursements, the following exceptions were noted:

- Twenty (20) expenditures lacked sufficient approval by the Authority Board.
- One (1) expenditure, Warrant number 10 for \$6,409, lacked sufficient supporting documentation regarding the remodel of the Authority’s building.
- One (1) expenditure, Warrant number 7 for the purchase of a building for \$86,329, lacked evidence of the buyer and seller’s signature on the settlement agreement.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure adequate supporting documentation is maintained and the Authority Board members review and approve all disbursements in regular Board meetings.

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

**Recommendation:** OSAI recommends policies and procedures be designed and implemented to ensure all disbursements are properly reviewed and approved by the Authority Board, verified for receipt, and documented with invoices and/or statements.

**Management Response:**

**Board Chairman Response:** The Authority Board will be having regular meetings and will be approving all disbursements. All Authority Board approvals will be recorded in the minutes of the meeting.

**Criteria:** The GAO Standards – Principle 10 – Design Control Activities – 10.03 states in part:

*Appropriate documentation of transactions and internal control*

Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or



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operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.

**Finding 2021-004 – Lack of Internal Controls Over Fixed Assets Inventory Records**

**Condition:** Upon inquiry of the Authority’s contract service provider, who was designated to perform the visual verification of fixed assets, observation of the fixed assets inventory; and review of inventory records, the following exceptions were noted:

- The fixed assets inventory was not adequately reviewed and updated to reflect the Authority’s fixed assets were visually verified.
- The fixed assets inventory did not include the cost of the items listed.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure fixed assets inventory is properly maintained, safeguarded, and updated through annual review and evidence of approval by the Authority.

**Effect of Condition:** These conditions could result in errors and improprieties, unrecorded transactions, misappropriation of assets or loss of Authority equipment.

**Recommendation:** OSAI recommends that the Authority design and implement policies and procedures to accurately maintain fixed assets inventory records. Records should be maintained in such a manner that all assets are included, assets can be identified by serial number, date of acquisition and purchase price. Additionally, an annual physical verification of fixed assets should be performed, documented and approved by the Board.

**Management Response:**

**Board Chairman Response:** The Authority Board will have an annual verification and audit of the fixed assets inventory, listing all equipment items and the original cost of each item.

**Criteria:** The GAO Standards – Section 2 – Objectives of an Entity - OV2.24 states in part:

*Compliance Objectives:*

Management designs an internal control system to provide reasonable assurance regarding prevention or prompt detection and correction of unauthorized acquisition, use or disposition of an entity’s assets.

O·K·L·A·H·O·M·A  
S·A·I  
STATE AUDITOR & INSPECTOR



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

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