

STATUTORY REPORT

# LATIMER COUNTY EMERGENCY MEDICAL SERVICE TRUST AUTHORITY

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

**LATIMER COUNTY EMERGENCY MEDICAL SERVICE TRUST AUTHORITY  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

---

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.



# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

March 20, 2018

**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 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 underline.

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

**LATIMER COUNTY EMERGENCY MEDICAL SERVICE TRUST AUTHORITY  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

---

**Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2017**

	<u>FY 2017</u>
Beginning Cash Balance, July 1	\$ 524,061
Collections	
Ad Valorem Tax	174,553
Miscellaneous	<u>1,242</u>
Total Collections	<u>175,795</u>
Disbursements	
Contract Services	150,000
Maintenance and Operations	8,931
Capital Outlay	138,393
Audit Expense	<u>4,545</u>
Total Disbursements	<u>301,869</u>
Ending Cash Balance, June 30	<u>\$ 397,987</u>

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



# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

Latimer County Emergency Medical Service Trust Authority  
111 North Central, Suite B  
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 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 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.

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

March 13, 2018

**LATIMER COUNTY EMERGENCY MEDICAL SERVICE TRUST AUTHORITY  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

---

**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2017-01 – Inadequate Internal Controls and Noncompliance Over the Disbursement Process**

**Condition:** Upon inquiry of the Board Chairman, observation of disbursement records, and the review of all (22) twenty-two purchase orders submitted for payment for the fiscal year, the following exceptions were noted:

- Six (6) purchase orders did not have evidence of a receiving signature, receiving reports, or verification of the invoice.
- Five (5) purchase orders were approved by the Board of County Commissioners because Latimer County processes the Authority's purchase orders; however, purchase orders did not have the approval of the Authority Board on the purchase order nor were purchase orders detailed in the Authority meeting minutes as being approved by the Authority Board.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure the purchase order has evidence of verification of receiving goods and services and Authority Board approval for payment.

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

**Recommendation:** The Oklahoma State Auditor and Inspector's Office (OSAI) recommends the Authority implement a system of internal controls to ensure that all disbursements are made from a completed purchase order with Authority Board approval, and a receiving report or verification of the accuracy of the invoice is documented on the purchase order.

**Management Response:**

**Board Chairman:** The District had several turnovers in the members of the Board during the audit period. Board members acting as receiving agents were not always in place in a timely manner. The current Board now has members in place and has designated the duties for each member. Therefore, the process has been corrected to provide adequate evidence of receiving goods and services and approve all purchase orders.

**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 regarding the reliability of financial reporting. Such effective internal controls would include ensuring all claims are completed in their entirety, and have supporting documentation related to disbursements attached to claim prior to approval for payment. In addition, effective internal controls would include verifying that the invoice is accurate as evidenced by a receiving report or a signature and date of receipt.



**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)**