

STATUTORY AUDIT

LATIMER COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

For the period July 1, 2009 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

**LATIMER COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2009 THROUGH JUNE 30, 2013**

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) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to 74 O.S. § 3105.B.



Oklahoma State Auditor & Inspector

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

February 5, 2014

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

Transmitted herewith is the audit report of Latimer County Emergency Medical Service District for the period July 1, 2009 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 that reads "Gary A. Jones".

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

**LATIMER COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
 STATUTORY REPORT
 JULY 1, 2009 THROUGH JUNE 30, 2013**

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	\$ 390,432	\$ 479,185
Collections		
Ad Valorem Tax	188,438	179,962
Charges for Services	-	-
Miscellaneous	6,524	6,844
Total Collections	<u>194,962</u>	<u>186,806</u>
Disbursements		
Personal Services	96,000	108,000
Reserve for Interest on Warrants	-	600
Maintenance and Operations	9,269	9,173
Capital Outlay	940	34,467
Audit Expense	-	-
Total Disbursements	<u>106,209</u>	<u>152,240</u>
Ending Cash Balance, June 30	<u>\$ 479,185</u>	<u>\$ 513,751</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 District
111 North Central, Suite B
Wilburton, Oklahoma 74578

TO THE BOARD OF DIRECTORS OF THE LATIMER 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 Latimer 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 Latimer 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 Latimer 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 11, 2013

**LATIMER COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
JULY 1, 2009 THROUGH JUNE 30, 2013**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 1 - Expenditure Process

Condition: While testing expenditures for the Latimer County Emergency Medical Service District (the District) the following exceptions were noted:

- For the period July 1, 2009 through June 30, 2010, of the 23 expenditures tested 17 had no evidence of a receiving signature or verification of accuracy on the invoice.
- For the period July 1, 2010 through June 30, 2011, of the 24 expenditures tested 22 had no evidence of a receiving signature or verification of accuracy on the invoice. Of the 24 expenditures tested 1 had no invoice attached.
- For the period July 1, 2011 through June 30, 2012, of the 29 expenditures tested 20 had no evidence of a receiving signature or verification of accuracy on the invoice.
- For the period July 1, 2012 through June 30, 2013, of the 23 expenditures tested 5 had no evidence of a receiving signature or verification of accuracy on the invoice.

Cause of Condition: Policies and procedures have not been designed to ensure invoices are verified for accuracy or signed by the receiving agent.

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

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends that the District implement a system of internal control to ensure all items received are reviewed for accuracy and that all expenditures have proper supporting documentation.

Management Response: We have implemented procedures to correct this condition. We now sign a receiving report for each purchase order.

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. A key factor in this system is designating a receiving officer to sign a receiving report or the invoice to confirm that goods and/or services were received.

Finding 2 - Lack of Board Minute Support for Bid Acceptance

Condition: It was noted during our test of bids solicited by the District that a bid on heart monitors was accepted without the minutes providing justification and approval for awarding the bid to a bidder other than the lowest bidder.

Cause of Condition: Policies and procedures have not been designed to ensure all relevant discussion concerning bids is recorded in the District board minutes in accordance with 19 O.S. § 1505.

**LATIMER COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
JULY 1, 2009 THROUGH JUNE 30, 2013**

Effect of Condition: This condition could result in the District being in noncompliance with state statutes, inaccurate records, incomplete information, or a misappropriation of assets.

Recommendation: OSAI recommends that the District adhere to the county bid process and all requirements referenced therein. One of these requirements is that board minutes should always provide justification and approval of awarding the bid to a bidder other than the lowest bidder.

Management Response: It was discussed in the Board meeting why the lowest and best bid was not accepted. The reason was it just did not get put into the Board minutes.

Criteria: 19 O.S. § 1723 requires EMS Districts to make purchases in accordance with the county purchasing procedures as outlined in 19 O.S. § 1505. Title 19 O.S. § 1505.B.4, states in part: "...any time the lowest bid was not considered to be the lowest and best bid, the reason for such conclusion shall be recorded."

Finding 3 - Funding of Audit Expense Account

Condition: For the period of July 1, 2009 through June 30, 2013, the District did not appropriate the mandatory one-tenth mill to the audit budget account. Further, balances from previous years' were not properly carried forward.

Cause of Condition: Procedures have not been designed to ensure compliance with 19 O.S § 1706.1.

Effect of Condition: This condition resulted in noncompliance with the statute and under funding of the audit expense account.

Recommendation: 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 audit expense account in accordance with 19 O.S. § 1706.1.

Management Response: On July 17, 2013, the County Clerk called the budget maker to make sure that this condition is corrected.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. A component objective of an effective internal control system is to provide accurate and reliable information through proper review and approval.

Further, 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.



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

WWW.SAI.OK.GOV