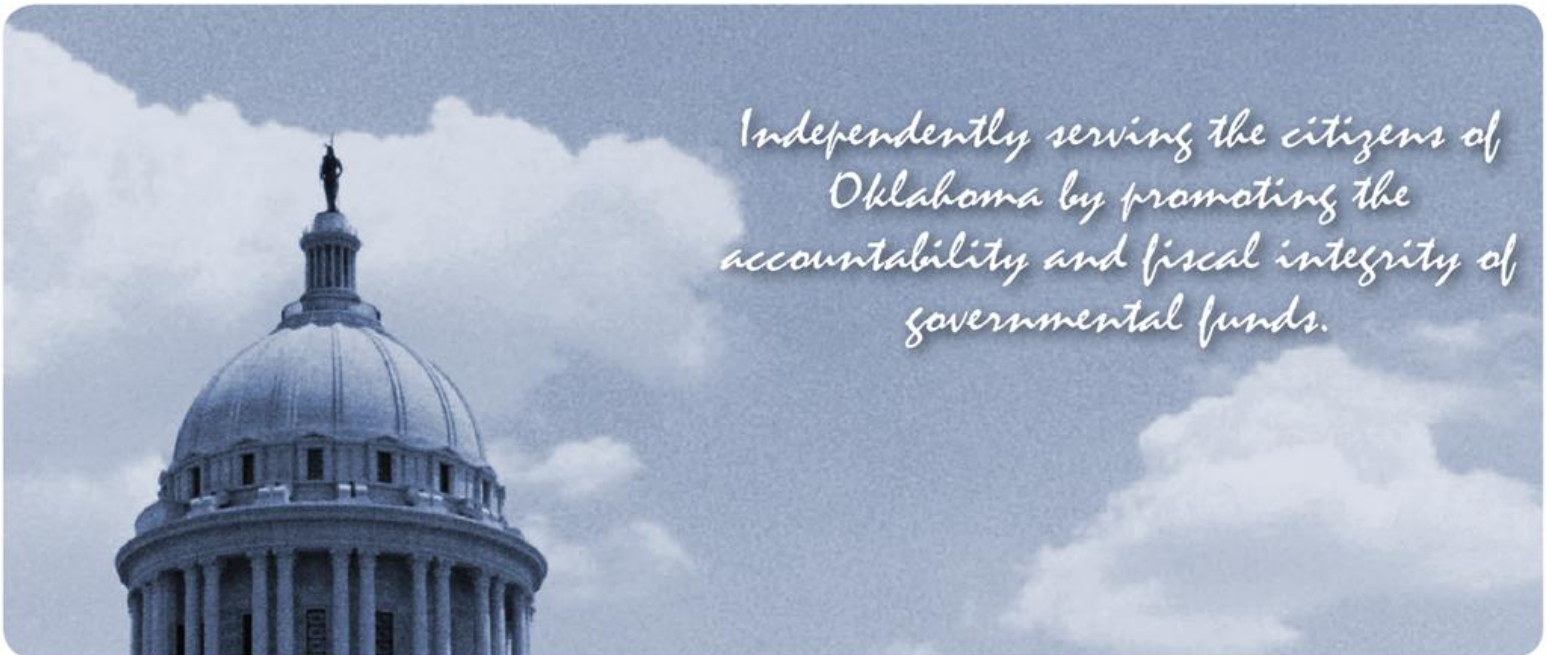


STATUTORY REPORT

# MIAMI SCHOOL DISTRICT 23 EMERGENCY MEDICAL SERVICE DISTRICT

For the period July 1, 2011 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

**MIAMI SCHOOL DISTRICT 23 EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE PERIOD JULY 1, 2011 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

March 4, 2016

**TO THE BOARD OF DIRECTORS OF THE  
MIAMI SCHOOL DISTRICT 23 EMERGENCY MEDICAL SERVICE DISTRICT**

Transmitted herewith is the audit report of Miami School District 23 Emergency Medical Service District for the period July 1, 2011 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

**MIAMI SCHOOL DISTRICT 23 EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE PERIOD OF JULY 1, 2011 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	<u>\$ 125,164</u>	<u>\$ 91,202</u>
Collections		
Ad Valorem Tax	167,703	175,538
Charges for Services	-	-
Miscellaneous	<u>1,636</u>	<u>129</u>
Total Collections	<u>169,339</u>	<u>175,667</u>
Disbursements		
Personal Services	588	588
Revaluation	2,002	2,306
Maintenance and Operations	109,219	135,624
Capital Outlay	86,861	-
Audit Expense	<u>4,631</u>	<u>-</u>
Total Disbursements	<u>203,301</u>	<u>138,518</u>
Ending Cash Balance, June 30	<u>\$ 91,202</u>	<u>\$ 128,351</u>

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



# Oklahoma State Auditor & Inspector

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Miami School District 23 Emergency Medical Service District  
1608 Camelot Place  
Miami, Oklahoma 74354

## **TO THE BOARD OF DIRECTORS OF THE MIAMI SCHOOL DISTRICT 23 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 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 Miami School District 23 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 Miami School District 23 Emergency Medical Service District.

Based on our procedures performed, we have presented our finding in the accompanying schedule.

This report is intended for the information and use of the management of the Miami School District 23 Emergency Medical Service District. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

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

February 9, 2016

**MIAMI SCHOOL DISTRICT 23 EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE PERIOD OF JULY 1, 2011 THROUGH JUNE 30, 2013**

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2013-1 – Inadequate Segregation of Duties and Internal Controls Over Disbursements**

**Condition:** Based on observation of twenty-six (26) randomly selected disbursements and discussion with District staff, we noted the following weaknesses with regard to the disbursement process:

- The Treasurer/Secretary is responsible for maintaining the financial records, performing bank reconciliations, and preparing, signing, and mailing or delivering checks for the District.
- In fiscal year 2012, the District has not developed procedures for independent verification of goods/services received.

**Cause of Condition:** Policies and procedures have not been designed to adequately segregate the duties over the disbursement process. Additionally, internal controls have not been designed and implemented to provide independent verification of goods and services purchased for the District.

**Effect of Condition:** A single individual having responsibility for more than one area of recording, authorization, custody of assets, and reconciliation could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner. Additionally, by not preparing independent verification of goods or services purchased by the District, the risk for misappropriation of assets increased significantly.

**Recommendation:** The Oklahoma State Auditor and Inspector's Office recommends that management be aware of these conditions and determine if duties can be properly segregated. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the district and having management review and approval of accounting functions. OSAI also recommends that the District prepare and implement policies and procedures to require verification of receipt of goods or services purchased by the District.

**Management Response:**

**Chairman of the Board:** This Finding has been corrected. The Secretary/Treasurer has been removed as a Signatory on all Miami School District EMS Bank Accounts, while the two newest board members have been added. EMS Checks issued for expenses are signed by two board members other than the Secretary/Treasurer and are mailed immediately after each monthly EMS Meeting. Every board member receives a copy of all bank statements in order to monitor account activity, as well as the EMS Treasurer's Report.

Regarding the lack of procedures for verifying goods and/or services received: In 2011-2012, the EMS Board purchased equipment for the ambulance service provider with excess funds and receiving reports were not used. Per our existing contracts, the Board will not be purchasing items for the Providers.

**MIAMI SCHOOL DISTRICT 23 EMERGENCY MEDICAL SERVICE DISTRICT  
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**Criteria:** Internal controls should be designed to analyze and check accuracy, completeness, and authorization of disbursements and/or transactions. To help ensure a proper accounting of funds, the duties of processing, authorizing, and distribution should be segregated and indication of goods or services received should be documented.

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 untimely detection of unauthorized acquisition, use, or disposition of the entity's assets and safeguarding assets from loss, damage, or misappropriation.



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