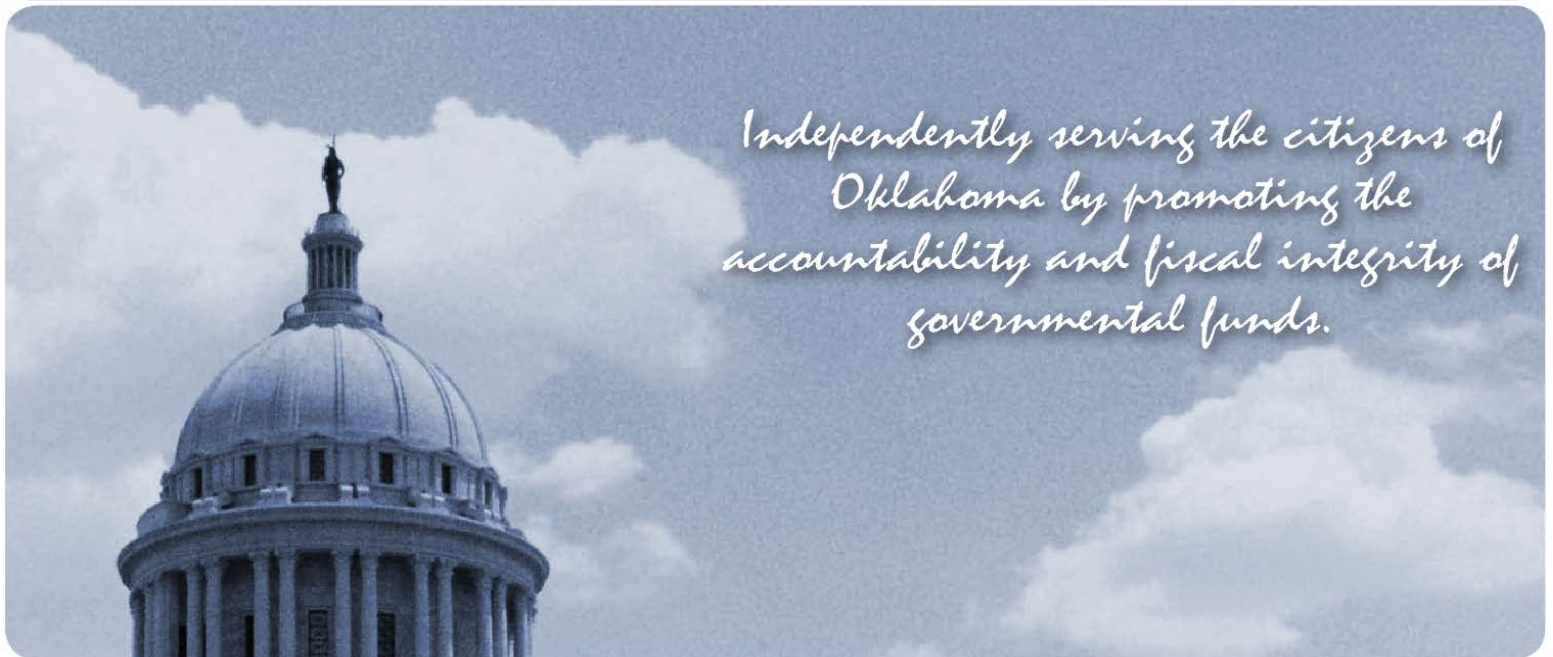


STATUTORY REPORT

NOBLE COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

For the fiscal year ended June 30, 2016



*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

**NOBLE COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 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

December 20, 2017

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

Transmitted herewith is the audit report of Noble County Emergency Medical Service District for the fiscal year ended June 30, 2016.

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.

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

**NOBLE COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2016

	FY 2016
Prior Year Ending Balance, Ad Valorem Tax Fund	\$ 73,628
*Ambulance District Sales Tax Fund	154,574
Beginning Cash Balance, July 1	228,202
 Collections	
Ad Valorem Tax	176,161
Ambulance District Sales Tax	264,190
Intergovernmental	66
Total Collections	440,417
 Disbursements	
Contract Services	160,854
Training	3,950
Maintenance and Operations	850
Ambulance District Sales Tax - Capital Outlay	289,879
Total Disbursements	455,533
 Ending Cash Balance, June 30	 \$ 213,086

*The voters of Noble County approved a one quarter percent sales tax effective July 1, 2012. The sales tax shall continue for a period of five years. The sales tax was established to provide revenue for the support, organization, operation, maintenance, and all lawful purposes of providing of an Emergency Medical Service District and its purpose of providing ambulance services and Emergency Medical First Responder service to all county residents.

These funds are accounted for in a cash fund as reported on the County's financial statements as Ambulance District Sales Tax Fund.

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



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Noble County Emergency Medical Service District
300 Courthouse Dr., #1
Perry, Oklahoma 73077

TO THE BOARD OF DIRECTORS OF THE NOBLE 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 2016 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Noble County 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 Noble 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 Noble 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 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

October 24, 2017

**NOBLE COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2016-1 – Inadequate Internal Controls and Noncompliance Over District Board Minutes

Condition: Upon inquiry of the Noble County Emergency Medical Service District (the District) officials and observation of the District’s Board minutes, we determined the following:

- The Board minutes were only signed by the Secretary that presents them to the Board.
- Contracts with the service providers were not renewed annually in the minutes.
- There was no indication or evidence of a Board meeting being held in December of 2015, nor was there documentation of the Board meeting being cancelled.

Cause of Condition: Policies and procedures have not been designed and implemented regarding District Board minutes adequately documenting the Board’s monthly activities.

Effect of Condition: These conditions resulted in noncompliance with the Open Meeting Act and could result in unrecorded transactions, undetected errors, or misappropriation of funds.

Recommendation: The Oklahoma State Auditor and Inspector (OSAI) recommends the District implement policies and design procedures to document the actions of the District Board, including annual renewal of District contracts, evidence of the Chairman’s or another Board member’s approval of the minutes, and formal notice of cancellation of a Board meeting in accordance with the Open Meeting Act, Title 25 O.S. § 311 A. 8.

Management Response:

Board Chairman: The Board of Directors acknowledges these findings and have changed the minutes to include the signature of the submitting secretary and the presiding member of the Board of Directors. The Board will review and renew the contracts with the service providers in January of each year and if necessary make changes at that time. The Board of Directors amended their by-laws to allow for each seat to have an alternate member. The Board of County Commissioners appointed alternates to the Board. This action should remedy the lack of a quorum which often resulted in meetings not being held. That is the reason no minutes existed for certain meetings. The Secretary will prepare minutes reflecting that no meeting was held to properly document a meeting that is not held as scheduled.

Criteria: Accountability and stewardship are overall goals of management in accounting of funds. Further, an important aspect of internal controls is the safeguarding of assets. A safeguarding of assets constitutes a process affected by an entity’s governing body and management to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions or the misappropriation of funds.

Title 25 O.S. § 311 A. 8. states, “A. Notwithstanding any other provisions of law, all regularly scheduled, continued or reconvened, special or emergency meetings of public bodies shall be preceded by public notice as follows:

**NOBLE COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

8. If any change is to be made of the date, time or place of regularly scheduled meetings of public bodies, then notice in writing shall be given to the Secretary of State or *county clerk* or municipal clerk, as required herein, not less than ten (10) days prior to the implementation of any such change.”

Finding 2016-2 – Inadequate Internal Controls and Noncompliance Over the Audit Expense Budget Account (Repeat Finding)

Condition: Based upon inquiry of District staff and observation of the budgeting process, it was determined that the amount required by state statute was not budgeted for the audit expense budget account. As a result, the District’s balance in the audit expense budget account did not reflect a balance as of June 30, 2016. However, the correct balance should have been \$67,196.72.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure the audit expense budget account is accurately budgeted in accordance with the statutory requirement.

Effect of Condition: This condition resulted in noncompliance with state statute and the underfunding of the audit expense budget account.

Recommendation: OSAI recommends the District implement a system of internal controls to provide reasonable assurance that one-tenth mill upon the net total assessed valuation be set aside in the audit expense budget account, and that any unused portion be carried forward into the next year’s audit expense budget account in accordance with 19 O.S. § 1706.1.

Management Response:

Chairman of the Board: This issue has been reviewed with the budget preparer and the proper amount will be reflected in the 2018 budget.

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 levy upon the net total assessed valuation of the District for audit expenses.



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