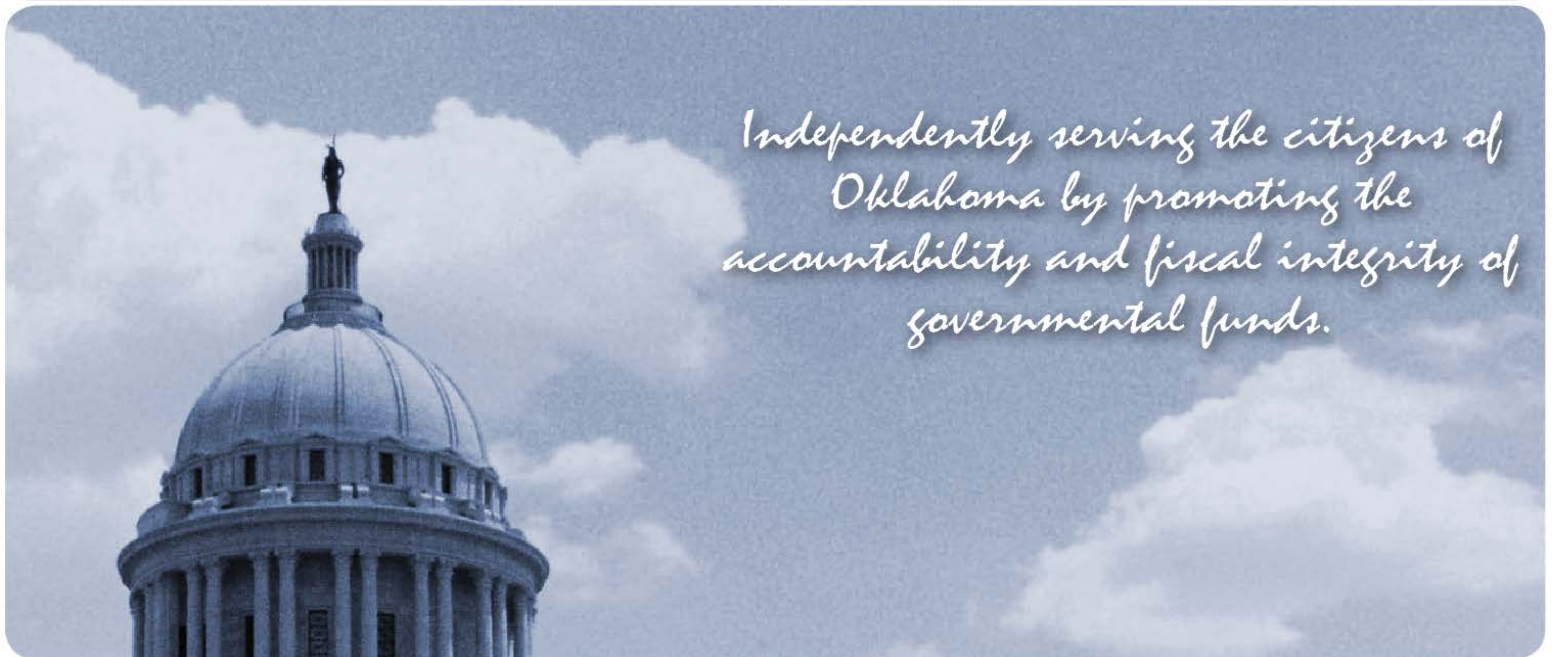


STATUTORY REPORT

OTTAWA 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

**OTTAWA 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

October 18, 2017

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

Transmitted herewith is the audit report of Ottawa 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, flowing style.

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

**OTTAWA 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

	<u>FY 2016</u>
Beginning Cash Balance, July 1	\$ 354,970
Collections	
Ad Valorem Tax	433,561
Intergovernmental	<u>12,834</u>
Total Collections	<u>446,395</u>
Disbursements	
Personal Services	1,500
Maintenance and Operations	12,389
Contracts for Services:	
Baptist Heathcare of Oklahoma, Inc.	201,000
Quapaw Tribe of Oklahoma	147,000
Capital Outlay	38,981
Audit Expense	<u>9,014</u>
Total Disbursements	<u>409,884</u>
Ending Cash Balance, June 30	<u>\$ 391,481</u>

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



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Ottawa County Emergency Medical Service District
1608 Camelot Place
Miami, Oklahoma 74354

TO THE BOARD OF DIRECTORS OF THE OTTAWA 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 Ottawa 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 Ottawa 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 Ottawa 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 fluid and cursive, with the first name "Gary" being the most prominent.

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

September 12, 2017

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

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2016-2 – Inadequate Internal Controls Over Disbursements

Condition: Upon inquiry of the District Treasurer, observation of records, and the test of forty-four (44) disbursements, the following exceptions were noted:

- Thirty-six (36) disbursements did not have invoices or supporting documentation, including:
 - Twelve (12) disbursements for payments made for administrative services.
 - Twelve (12) disbursements for payments made to one of service providers for monthly contractual payments;
 - Twelve (12) disbursements for payments made to the other service provider for monthly contractual payments.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure disbursements provide adequate documentation for disbursements.

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

Recommendation: OSAI recommends the District implement a system of internal controls to ensure that all disbursements have proper supporting documentation attached to the claim for payment.

Management Response:

Chairman of the Board: Contracts will be referenced in the Board Minutes when checks are approved for disbursement to document the monthly expense. Effective immediately, the Board Treasurer will provide an invoice to the Board monthly for administrative services, in addition to a Contract being approved every June for the upcoming fiscal year. Said Contract will be referenced in the Minutes when checks are approved for disbursement each month. The invoice will be signed by at least two Board Members during a monthly Meeting.

Criteria: Accountability and stewardship are overall goals of the District Board in the accounting of funds. Effective internal controls are essential to provide reasonable assurance about the achievement of the entity's objectives with regard to the reliability of financial reporting. An important aspect of internal controls is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process affected by an entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and/or misappropriation of funds. Key factors in this system are having supporting documentation maintained for record keeping and audit needs and ensuring disbursements are only incurred in accordance with state statute.

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

Finding 2016-3 – Inadequate Internal Controls Fixed Assets Inventory Records

Condition: Based on inquiry of the District, observation, and review of the of the District’s disbursements and fixed assets, the following exception was noted:

- The District purchased software in the amount of \$38,981.00 for the phone system that is used to dispatch the ambulances.
- The software was installed in the dispatch system at the City of Miami, Oklahoma; however, the District did not have a record of this fixed asset.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure fixed assets inventory is properly maintained and updated through a periodic review by the District.

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

Recommendation: OSAI recommends annual physical inventory verifications be performed by someone other than the individual maintaining inventory records and documentation of the physical inventory count be retained.

Management Response:

Chairman of the Board: The Board was unaware that the software was required to be listed on Inventory, as it is not a physical item. SA&I Form 9005 Fixed Asset Record has since been completed and is on file with District.

Criteria: 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 timely detection of unauthorized acquisition, use, or disposition of the entity’s assets and safeguarding assets from loss, damage, or misappropriation.



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