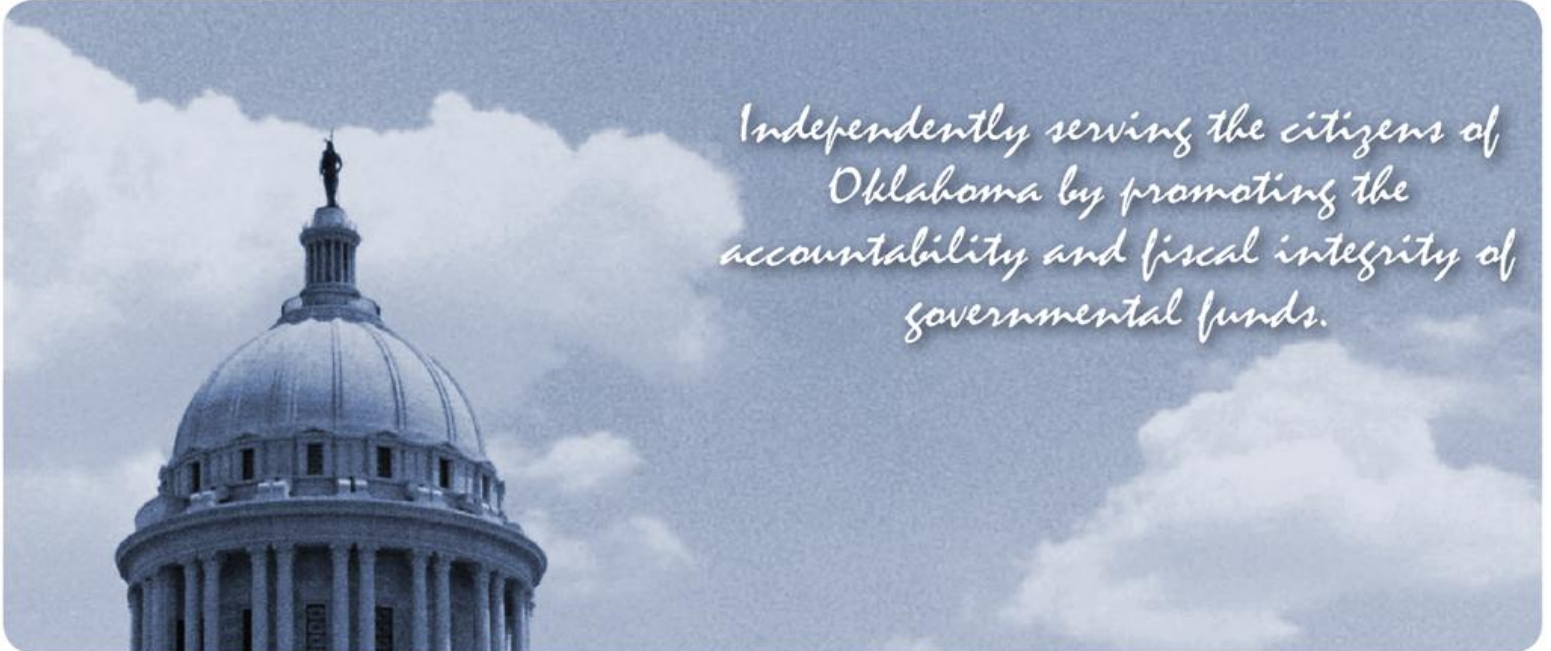


STATUTORY REPORT

OTTAWA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

For the period July 1, 2013 through June 30, 2014



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

**OTTAWA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
FORMERLY MIAMI SCHOOL DISTRICT 23
EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2013 THROUGH JUNE 30, 2014**

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

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March 4, 2016

**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 (formerly Miami School District 23 Emergency Medical Service District) for the period July 1, 2013 through June 30, 2014.

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

**OTTAWA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE PERIOD OF JULY 1, 2013 THROUGH JUNE 30, 2014**

Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2014

	<u>FY 2014</u>
Beginning Cash Balance, July 1	\$ 128,351
Collections	
Ad Valorem Tax	402,130
Charges for Services	-
Miscellaneous	191
Total Collections	<u>402,321</u>
Disbursements	
Personal Services	1,044
Revaluation	2,274
Maintenance and Operations	237,722
Capital Outlay	-
Audit Expense	3,040
Total Disbursements	<u>244,080</u>
Ending Cash Balance, June 30	<u>\$ 286,592</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 whether the District's collections, disbursements, and cash balances for FY 2014 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, appearing to read "Gary A. Jones".

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

February 9, 2016

**OTTAWA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE PERIOD OF JULY 1, 2013 THROUGH JUNE 30, 2014**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2014-1 – Inadequate Segregation of Duties and Internal Controls Over Disbursements

Condition: Based on discussion with District staff, the Treasurer/Secretary is responsible for maintaining the financial records, performing bank reconciliations, and preparing, signing, and mailing or delivering checks for the District.

Cause of Condition: Policies and procedures have not been designed to adequately segregate the duties over the disbursement process.

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.

Recommendation: The Oklahoma State Auditor and Inspector's Office (OSAI) 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.

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.

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.

Finding 2014-2 - Inadequate Internal Controls Over Pledged Collateral and Noncompliance with State Statute

Condition: On June 30, 2014, the District had deposits with a local bank in the amount of \$286,591.83. The District's balance of pledged collateral plus FDIC was \$250,000.00, leaving \$36,591.83 unsecured.

Cause of Condition: The District has not properly designed and implemented procedures to monitor the bank balance on a daily basis to ensure that District funds are adequately secured.

**OTTAWA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
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Effect of Condition: This condition resulted in noncompliance with state statute and District funds not being adequately safeguarded.

Recommendation: OSAI recommends that the Board of Trustees establish policies and procedures to ensure District funds are adequately secured and to maintain evidence of daily monitoring to ensure that District funds are adequately secured.

Management Response:

Chairman of the Board: This has been corrected. In accordance with Section 330.15(2) of the FDIC's Regulations "Accounts of a state, county, municipality or political subdivision. (i) Each official custodian of funds of any state of the United States, or any county, municipality, or political subdivision thereof, lawfully depositing such funds in an insured depository institution in the state comprising the public unit or wherein the public unit is located (including any insured depository institution having a branch in said state) shall be separately insured in the amount of: (A) Up to the SMDIA in the aggregate for all time and savings deposits; and (B) Up to the SMDIA in the aggregate for all demand deposits." Based on this information the District opened a "time and saving" account with the bank in addition to the "demand" that was already established. Therefore, no more than \$250,000 will be held in "time and savings" account and no more than \$250,000 will be held in "demand" account.

Criteria: Effective internal controls require that monitoring of bank balances be adequately documented to allow for the safeguarding of assets on deposit and compliance with state statute.

Title 62 O.S. 517.4A states "A treasurer of a public entity shall require that financial institutions deposit collateral securities or instruments to secure the deposits of the public entity in each such institution. The amount of collateral securities or instruments to be pledged for the security of public deposits shall be established by the treasurer of the public entity consistent with the provisions of the Security for Local Public Deposits Act; provided, such amount shall not be less than the amount of the deposit to be secured, less the amount insured."



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