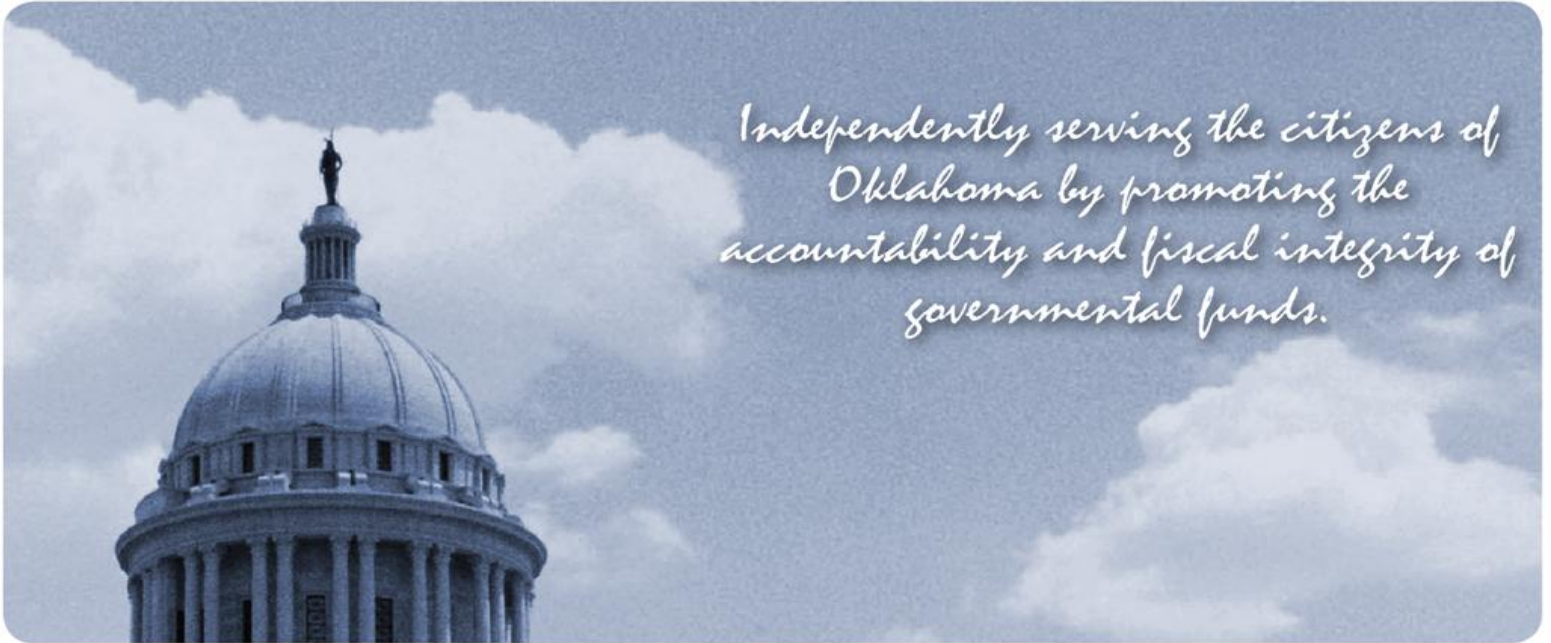


STATUTORY AUDIT

ROGER MILLS COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

For the period July 1, 2012 through June 30, 2014



*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

**ROGER MILLS COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2014**

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Oklahoma State Auditor & Inspector

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June 2, 2015

**TO THE BOARD OF DIRECTORS OF THE
ROGER MILLS COUNTY EMERGENCY MEDICAL SERVICE DISTRICT**

Transmitted herewith is the audit report of Roger Mills County Emergency Medical Service District for the period July 1, 2012 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 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

**ROGER MILLS COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2014**

Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2013 and FY 2014

	<u>FY 2013</u>	<u>FY 2014</u>
Beginning Cash Balance, July 1	<u>\$ 574,255</u>	<u>\$ 764,502</u>
Collections		
Ad Valorem Tax	462,554	578,741
Charges for Services	-	-
Miscellaneous	2,451	2,709
Total Collections	<u>465,005</u>	<u>581,450</u>
Disbursements		
Personal Services	1,839	3,360
Travel	-	-
Maintenance and Operations	6,519	10,310
Capital Outlay	-	167,470
Audit expense		3,462
Contract	266,400	288,800
Total Disbursements	<u>274,758</u>	<u>473,402</u>
Ending Cash Balance, June 30	<u>\$ 764,502</u>	<u>\$ 872,550</u>



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Roger Mills County Emergency Medical Service District
P.O. Box 992
Cheyenne, Oklahoma 73628

TO THE BOARD OF DIRECTORS OF THE ROGER MILLS 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 2013 and FY 2014 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Roger Mills 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 Roger Mills 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 Roger Mills 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

March 26, 2015

**ROGER MILLS COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2014**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2014-1 – Inadequate Internal Controls and Noncompliance Over the Bid Requirements Process (Repeat Finding)

Condition: Upon inquiry of District personnel and records provided by the District, it was noted that the District Board does not monitor the Contract Service Provider to ensure that bidding laws and processes are followed in accordance with the state statute. The District expended \$167,470 for the purchase of an ambulance. As noted, in the contract, the (Roger Mills County Hospital Authority) Contract Service Provider solicited and received bids and selected the vendor for the purchase of the ambulance. The District did not view or vote on the selection of the ambulance, nor were the records of the bid process retained by the District.

Cause of Condition: Procedures have not been designed and implemented to monitor the Contract Service Provider to ensure that bidding laws and processes are followed.

Effect of Condition: This condition could result in noncompliance with the state statute.

Recommendation: The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends the District implement procedures to ensure the Contract Service Provider abides by bidding laws and processes. These procedures should include documentation of notification to the successful bidder be maintained in the bid file and all bid awards should be documented in the minutes of the Board of Trustees.

Management Response:

Chairman of the Board of Trustees: The District has implemented policies and procedures to monitor the Contract Service Provider, to ensure that bidding laws and processes are followed in accordance with the state statute. Further, with regard to bidding requirements, the EMS District will bid purchases in excess of \$10,000 (\$15,000 currently) to ensure compliance with 19 O.S. §1723.

Criteria: Effective internal controls require that management properly implement procedures to ensure that purchases over \$10,000(\$15,000 currently) comply with 19 O.S. § 1723.

Finding 2014-2 –Inadequate Internal Controls Over Disbursements

Condition: Based upon inquiry of District personnel and observation of the disbursement process, the following deficiencies were noted:

- Receiving reports were not prepared for goods and/or services.

The test of all expenditures revealed the following:

- 4 instances were noted for the fiscal year ended June 30, 2013, in which there was no evidence of a receiving signature/verification of accuracy of invoice.

**ROGER MILLS COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
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- 21 instances were noted for the fiscal year ended June 30, 2014, in which there was no evidence of a receiving signature/verification of accuracy of invoice.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure proper disbursement of District funds, with regard to documentation of receiving of goods and/or services.

Effect of Condition: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds not being detected in a timely manner.

Recommendation: The OSAI recommends management be aware of these conditions and implement policies and procedures to ensure receiving reports are prepared for goods and/or services. OSAI recommends evidence of management's review of invoices and receipts be documented so as to provide a mitigating control over the receipting process.

Management Response:

Chairman of Board of Trustees: All invoices and receipts will be signed or initialed and dated. The EMS Board will designate two receiving officers and receiving reports will be attached to purchase orders.

Criteria: To help ensure a proper accounting of funds, key duties and responsibilities should be segregated among different individuals to reduce the risk of error or fraud. No one individual should have the ability to authorize transactions, have physical custody of assets, and record transactions. Internal controls should be established to analyze and check accuracy, completeness, authorization, and validity of transactions.



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