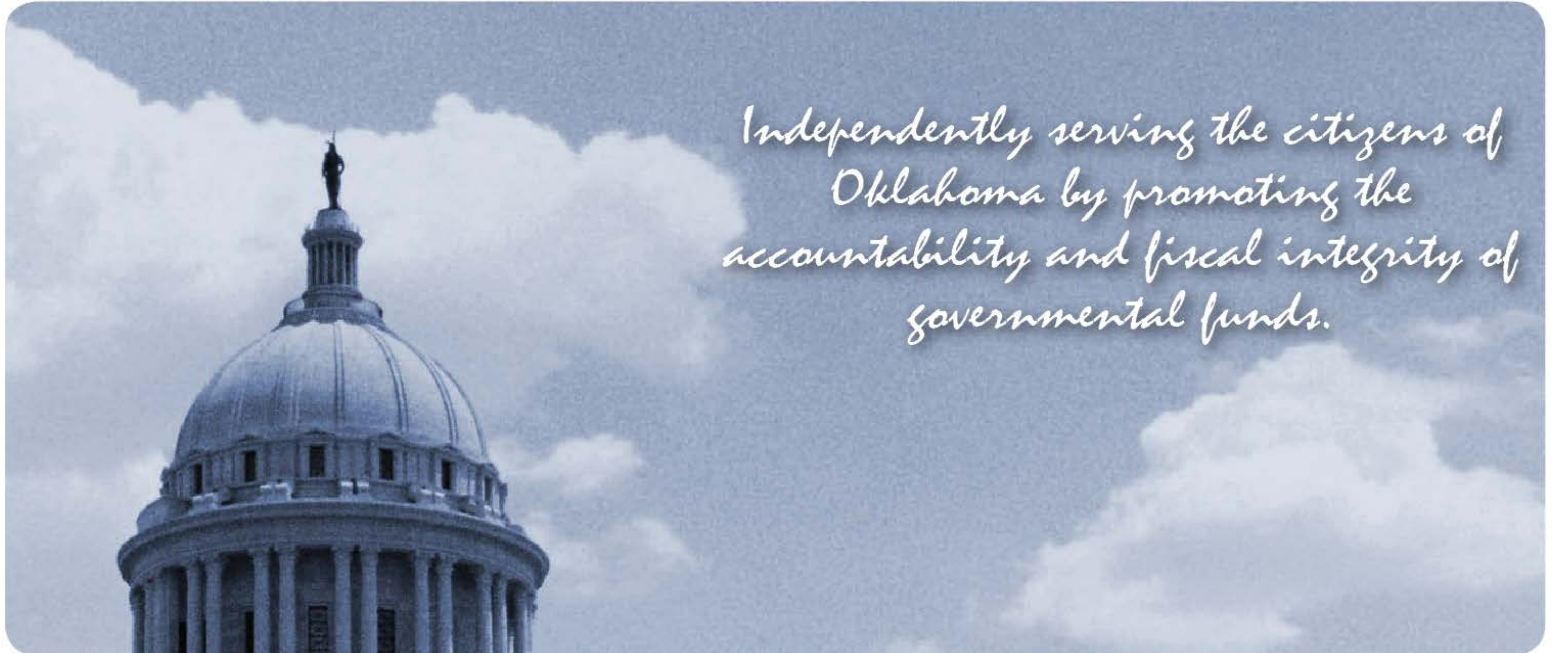


STATUTORY REPORT

# TILLMAN COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

For the fiscal year ended June 30, 2017



*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

**TILLMAN COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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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](http://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

May 29, 2018

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

Transmitted herewith is the audit report of Tillman County Emergency Medical Service District for the fiscal year ended June 30, 2017.

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 with a long, sweeping tail on the letter "s".

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

**TILLMAN COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE YEAR ENDED JUNE 30, 2017**

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**Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2017**

	<b>FY 2017</b>
Beginning Cash Balance, July 1, 2016	\$ 124,143
<b>Collections</b>	
Ad Valorem Tax	95,059
Charges for Services	322,597
Miscellaneous	133,103
Total Collections	550,759
<b>Disbursements</b>	
Personal Services	293,745
Maintenance and Operations	88,460
Contract Services-Grandfield	13,827
Tillman County Revaluation	1,610
Audit Expense	2,554
Miscellaneous	120,974
Total Disbursements	521,170
Ending Cash Balance, June 30, 2017	\$ 153,732

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



# Oklahoma State Auditor & Inspector

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Tillman County Emergency Medical Service District  
300 Lucille Avenue  
Frederick, Oklahoma 73542

## **TO THE BOARD OF DIRECTORS OF THE TILLMAN 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 2017 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Tillman 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 Tillman 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 Tillman 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

March 21, 2018

**TILLMAN COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2017-1 - Inadequate Internal Controls Over the Billing and Reconciling Process**

**Condition:** Upon inquiry and observation of the Tillman County Emergency Medical District's, (the District) collection and reconciling processes, it was noted that duties are not adequately segregated due to one employee preparing patient accounts, performing the billing process, opening the mail, posting to patient accounts, issuing receipts, and reconciling monthly bank statements.

**Cause of Condition:** Policies and procedures have not been designed and implemented regarding segregation of duties over aspects of the billing and reconciling processes.

**Effect of Condition:** A single employee having responsibility for more than one area of recording, authorization, custody of assets, reconciling, and execution of transactions could result in unrecorded transactions, misstated financial reports, undetected errors, or the misappropriation of funds.

**Recommendation:** The Oklahoma State Auditor and Inspector's Office (OSAI) recommends the District be aware of these conditions and realize that a concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in the District oversight of office operations and a periodic review of operations. OSAI recommends the District provide segregation of duties so that no one employee is able to perform all accounting functions. 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 office, and having the District Board review and approve accounting functions.

**Management Response:**

**Chairman of the Board:** The Board will ensure that reconciliation sheets are signed by the preparer as well as by the reviewer to mitigate the limited segregation of duties over the collection and reconciling process.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. 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 safeguarding assets from misappropriation. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording, depositing funds and reconciling statements should be segregated.

**TILLMAN COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**Finding 2017-2 - Inadequate Internal Controls Over the Billing Process**

**Condition:** Upon inquiry of personnel, observation of records, and the test of forty (40) ambulance runs, it was noted that four (4) runs in which payment had not yet been received, and did not have evidence maintained of a second billing statement being sent to the patient as per the Board's policy.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure second billing statements are sent to patients when payment for a run is not received.

**Effect of Condition:** This condition could result in the District having inaccurate records or incomplete documentation resulting in possible loss of revenue.

**Recommendation:** OSAI recommends the District implement recordkeeping policies and procedures to ensure second billing statements are sent and evidence is documented to ensure the Board is actively pursuing payment for past due accounts.

**Management Response:**

**Chairman of the Board:** Policies and procedures will be developed and implemented to document the customer billing process.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. Effective internal controls are essential to provide reasonable assurance about the achievement of the entity's objectives regarding the reliability of financial reporting. A component objective of an effective internal control system is to ensure the District bills all runs accurately and consistently to ensure ambulance run revenue is collected.





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