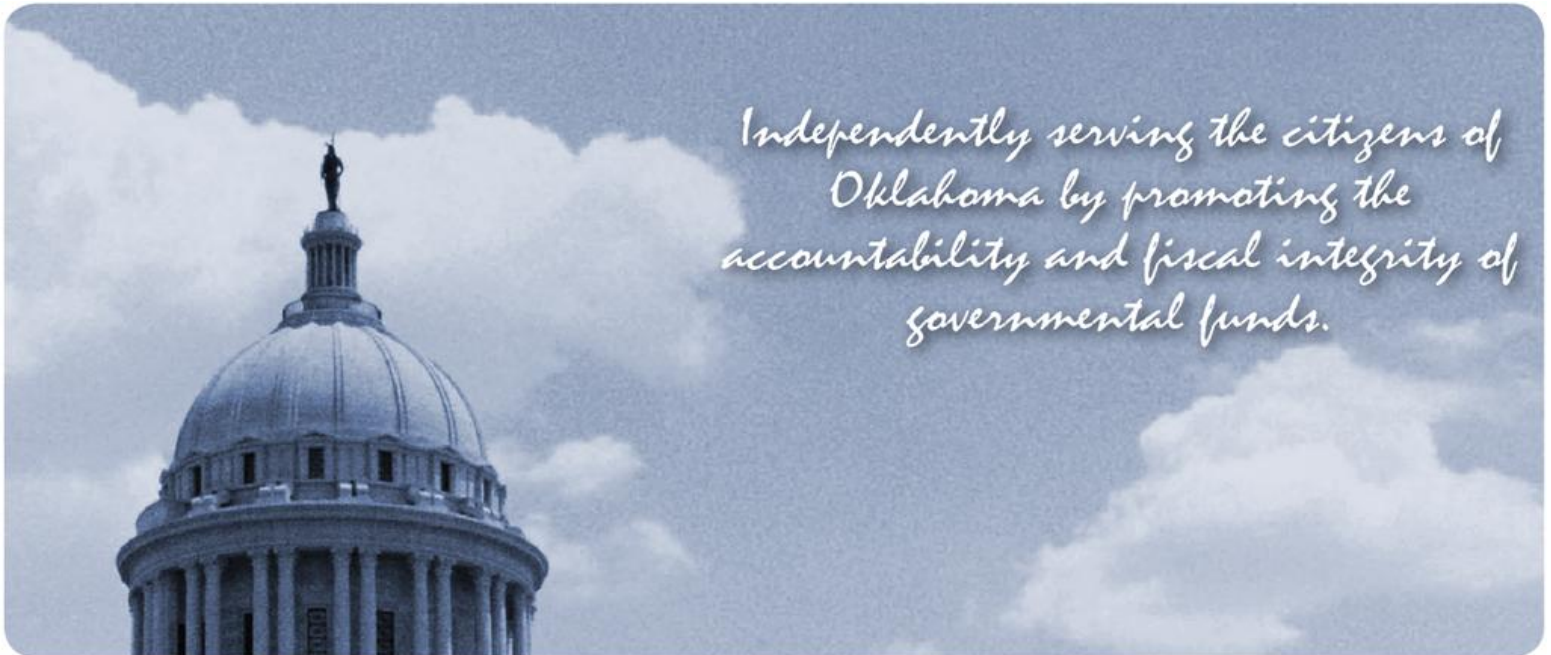


STATUTORY REPORT

WYNNEWOOD EMERGENCY MEDICAL SERVICE DISTRICT

For the fiscal year ended June 30, 2015



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

**WYNNEWOOD EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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Oklahoma State Auditor & Inspector

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December 8, 2016

**TO THE BOARD OF DIRECTORS OF THE
WYNNEWOOD EMERGENCY MEDICAL SERVICE DISTRICT**

Transmitted herewith is the audit report of Wynnewood Emergency Medical Service District for the fiscal year ended June 30, 2015.

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

**WYNNEWOOD EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Presentation of Collections, Disbursements, and Cash Balances of District Funds

	<u>FY 2015</u>
Beginning Cash Balance, July 1	<u>\$ 136,375</u>
Collections	
Ad Valorem Tax	<u>245,501</u>
Total Collections	<u>245,501</u>
Disbursements	
Provider Contract	281,318
Maintenance and Operations	3,361
Audit Expense	<u>2,044</u>
Total Disbursements	<u>286,723</u>
Ending Cash Balance, June 30	<u><u>\$ 95,153</u></u>

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



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Wynnewood Emergency Medical Service District
207 W. Robert S. Kerr Blvd.
Wynnewood, Oklahoma 73098

TO THE BOARD OF DIRECTORS OF THE WYNNEWOOD 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 2015 were accurately presented on the estimate of needs.

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

September 12, 2016

**WYNNEWOOD EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FISCAL YEAR ENDED JUNE 30, 2015**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2015-1 - Inadequate Internal Controls and Noncompliance Over Audit Expense Budget Account (Repeat Finding)

Condition: Upon inquiry and observation of the budgeting process, it was determined that internal controls have not been designed or implemented to ensure the amount required by statute is correctly budgeted for the audit expense budget account.

It was further noted that the District has not carried forward the balance into the audit account each fiscal year. As a result, the District's balance in the audit budget account as of June 30, 2015 was not budgeted. The correct balance should have been \$14,380.36, leaving an underfunded account balance of \$14,380.36.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure the Estimate of Needs was prepared in accordance with the state statute.

Effect of Condition: This condition resulted in noncompliance with the state statute and underfunding of the audit expense budget account. Further, balances from previous years were not properly carried forward.

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends that the District implement policies and procedures designed to ensure 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 budget account in accordance with 19 O.S § 1706.1.

Management Response:

Chairman of the Board: The Board will work to correct this issue.

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.

Title 19 O.S. § 1706.1 states in part "The net proceeds of the one-tenth mill annual ad valorem levy upon the net total assessed valuation in any emergency medical service district for any year which shall be authorized and mandatorily required to be appropriated and dedicated to emergency medical service district audit"

Finding 2015-2 - Inadequate Internal Controls Over the Collection and Disbursement Processes (Repeat Finding)

Condition: Upon inquiry of one of the Board members with regard to the collection process, the following weaknesses were noted:

**WYNNEWOOD EMERGENCY MEDICAL SERVICE DISTRICT
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- One individual opens the mail, sorts the mail, processes payments, prepares the deposit, delivers or mails the deposit to the bank, and reconciles the bank statement.
- There was no evidence of review by an individual or Board member independent of the process of the monthly bank statement reconciliations.

Upon inquiry of one of the Board members and observation of the District's disbursement process, the following weakness was noted:

- One individual prepares printed checks, enters information into the accounting records, reconciles the bank statements to the accounting records, and orders goods and/or services and also receives goods and/or services.

Cause of Condition: Policies and procedures have not been designed and implemented due to the District having only one volunteer to perform the duties of the collection and disbursement processes.

Effect of Condition: A single individual having responsibility for more than one area of the collection and disbursement process could result in unrecorded transactions, misstated financial reports, undetected errors, or the misappropriation of funds not being detected in a timely manner.

Recommendation: 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 office, and having management (the Board) review and approval of accounting functions. We recommend evidence of the Board's review process be clearly documented so as to provide a mitigating control over the lack of segregation of duties for the receipting, depositing, and reconciling processes and the disbursement of funds process.

Management Response:

Chairman of the Board: The Board is aware of these conditions and will work to implement compensating controls to mitigate the risks involved with a concentration of duties. The Board will also start documenting the review of the monthly bank statement reconciliations.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. Effective internal controls are essential to the achievement of the entity's objectives with regard to the reliability of financial reporting. Effective internal controls require that key functions within a process be adequately segregated to allow for the prevention and detection of errors and possible misappropriation of funds.



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