



# ATOKA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

## Statutory Report

For the fiscal year ended June 30, 2021

**Cindy Byrd, CPA**  
State Auditor & Inspector

**ATOKA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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August 7, 2023

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

Transmitted herewith is the audit report of Atoka County Emergency Medical Service District for the fiscal year ended June 30, 2021.

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 "Cindy Byrd".

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

**ATOKA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
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**Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2021**

	<u>General Fund</u>
Beginning Cash Balance, July 1	\$ 74,618
Collections	
Ad Valorem Tax	218,606
Charges for Services	833,674
Miscellaneous	99,969
Community Facility Disaster Grant - USDA	215,300
Atoka County Donation	350,014
Coronavirus Relief Fund (CRF) - CARES Act	25,901
Total Collections	<u>1,743,464</u>
Disbursements	
Personal Services	617,499
Maintenance and Operations	376,926
Capital Outlay	543,201
Total Disbursements	<u>1,537,626</u>
Ending Cash Balance, June 30	<u>\$ 280,456</u>

*Presented for informational purposes.*

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**Coronavirus Aid, Relief, and Economic Security (CARES) Act – OKAMA**

Coronavirus Relief Fund (CRF)-CARES Act- Money distributed to the State of Oklahoma to provide direct federal assistance to state governments, with consideration for local governments. The State of Oklahoma allocated \$5 million of CRF to the Oklahoma Ambulance Association (OKAMA) to distribute to licensed ambulance services across the state. The funds were to be used to reimburse ambulance services for unanticipated expenses in staffing, personal protective equipment (PPE), medical supplies, and lost insurance coverage due to COVID-19. The District received \$25,901 for the fiscal year.

**Atoka County Donation**

Atoka County Donation – Money distributed from Atoka County to reimburse Atoka County Emergency Medical Service (the District) for payroll, medical supplies, and medical equipment. The District received \$350,014 for the fiscal year.



Atoka County Emergency Medical Service District  
1002 A West Liberty  
Atoka, Oklahoma 74525

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

For the purpose of complying with 19 O.S. § 1706.1, we have performed the following procedures:

- Determined charges for services were billed and collected in accordance with District Policies.
- Determined 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 for the fiscal year ended June 30, 2021 were secured by pledged collateral.
- Determined disbursements were properly supported, were made for purposes outlined in 19 O.S. § 1710.1 and were accurately reported in the accounting records.
- Determined all purchases requiring bids complied with 19 O.S. § 1723 and 61 O.S. § 101-139.
- Determined payroll expenditures were accurately reported in the accounting records and supporting documentation of leave records was maintained.
- Determined fixed assets records were properly maintained.
- Determined whether the District's collections, disbursements, and cash balances for the fiscal year ended June 30, 2021 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Atoka 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 Atoka County Emergency Medical Service District.

Based on 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 Atoka County Emergency Medical Service District. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

May 16, 2023

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2021-002 – Lack of Internal Controls Over the Disbursements Process (Repeat Finding)**

**Condition:** While gaining an understanding of the disbursements process of the Atoka County Emergency Medical Service District (the District) and performing the test of forty-five (45) disbursements, the following exceptions were noted:

- Twenty-one (21) supporting documents for disbursements were not signed or initialed certifying receipt of supplies and that the amount paid was correct.
- One (1) purchase order was not approved by the Board.
- Four (4) purchase orders did not have supporting documentation attached.

**Cause of Condition:** The District has not designed and implemented policies and procedures to sufficiently document review and approval of the disbursement process.

**Effect of Condition:** These conditions 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 the Board design and implement policies and procedures to ensure all purchases are approved, supported with adequate documentation and verified as to goods or services received and the amount paid for those goods or services.

**Management Response:**

**Chairman of the Board:** The District will ensure that all supporting documentation is obtained prior to the Board approving purchase orders for payment.

**Criteria:** The United States Government Accountability Office’s *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local and quasi-governmental entities.

The GAO Standards – Principle 10 – Design Control Activities – 10.03 states in part:

*Appropriate documentation of transactions and internal control*

Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.

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**Finding 2021-006 – Lack of Internal Controls Over the Collections and Billing Process**

**Condition:** While gaining an understanding of the collections and billing process of the District and performing the test of forty-five (45) ambulance service runs, the following exceptions were noted:

- One person writes the receipts, prepares the deposit, posts the payments to the patient accounts in the accounting system, and sometimes makes the deposit.
- Four (4) ambulance service runs had not been written off or sent to collections.
- Two (2) accounts that were written off could not be traced to the Board minutes by the ambulance service run number and run date.
- The District did not file the explanation of benefits statement in date order; therefore, Medicare, Medicaid and some other insurance payments could not be traced to the deposits in the bank statement.

**Cause of Condition:** Policies and procedures have not been designed and implemented to completely segregate the collections and billing process and maintain complete records of each patient account.

**Effect of Condition:** These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or the misappropriation of funds.

**Recommendation:** OSAI recommends the Board be aware of these conditions and realize that 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 Board's oversight of office operations and a periodic review of operations. OSAI recommends the Board provide segregation of duties so that no one employee can perform all accounting functions. If 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. OSAI also recommends that all documentation be maintained by the District in an organized manner to verify past due accounts as written off or sent to collections and payments made as deposited into bank account.

**Management Response:**

**Chairman of the Board:** The District will ensure that ambulance run supporting documents are better organized and reviewed by employees and approved by the Board.

**Criteria:** The GAO Standards - Principle 10 – Design Control Activities 10.03 states:

*Segregation of Duties*

Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.



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The GAO Standards – Principle 10 – Design Control Activities – 10.03 states in part:

*Design of Appropriate Types of Control Activities*

Appropriate documentation of transactions and internal control Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.

*Design of Appropriate Types of Control Activities*

Appropriate documentation of transactions and internal control Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.

**Finding 2021-007 – Lack of Internal Controls and Noncompliance Over the Competitive Bidding Process**

**Condition:** Upon inquiry of the District Director, observation of documents and a test of the competitive bidding process, the following exceptions were noted:

The District Director obtained quotes from vendors for equipment purchases more than \$15,000 rather than soliciting competitively bids that were approved by the Board in the Board minutes.

The following equipment was not competitively bid:

<b>Equipment</b>	<b>Amount Paid</b>	<b>Check Number</b>	<b>Check Date</b>
Cardiac Monitor	\$16,000.00	4441	December 8, 2020
Ambulance Remount	\$104,760.00	4521	January 28, 2021
Ambulance	\$187,758.00	4583	March 1, 2021
Stretcher Remount - Auto Load	\$16,908.45	4625	April 1, 2021
Ambulance	\$187,000.00	4647	April 19, 2021

Additionally, purchase order (#6887) for an ambulance remount was not signed by a Board member indicating approval by the governing Board.

**Cause of Condition:** Policies and procedures have not been designed and implemented over the competitive bidding process to ensure compliance with state statutes.

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**Effect of Condition:** These purchases resulted in noncompliance with state statutes regarding competitive bid requirements of equipment purchases exceeding \$15,000.

**Recommendation:** OSAI recommends the District design and implement policies and procedures to ensure the District follows the competitive bidding requirements for the purchase of vehicles and equipment exceeding \$15,000 in accordance with 19 O.S. § 1723.

Additionally, the Board should maintain evidence that competitive bidding was properly performed. These procedures include the following documentation:

- proof of publication of the bid solicitation,
- proof the bids were time and date stamped when received,
- justification and approval of awarding the competitive bid to a bidder other than the lowest bidder in the Board minutes, and
- documentation of notification to the successful bidder.

Further, documentation should be maintained in a bid file and bid solicitations remain sealed until awarded and documented in the Board minutes.

**Management Response:**

**Chairman of the Board:** The District will review the competitive bidding requirements and the Board will ensure that the competitive bidding process is performed in accordance with state statutes.

**Criteria:** The GAO Standards – Principle 10 – Design Control Activities – 10.03 states in part:

*Appropriate documentation of transactions and internal control*

Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.

The GAO Standards – Section 2 – Objectives of an Entity - OV2.23 states in part:

*Compliance Objectives*

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements. Some entities may set objectives to a higher level of performance than established by laws and regulations. In setting those objectives, management is able to exercise discretion relative to the performance of the entity.

Title 19 O.S. § 1723 requires Districts to make equipment purchases in accordance with the county purchase procedures as outlined in 19 O.S. § 1501 and § 1505, which requires all vehicle and equipment purchases in excess of \$15,000 be competitively bid.

O·K·L·A·H·O·M·A  
S·A·I  
STATE AUDITOR & INSPECTOR



**Cindy Byrd, CPA | State Auditor & Inspector**

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