



ATOKA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2022

Cindy Byrd, CPA
State Auditor & Inspector

**ATOKA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



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, 2022.

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
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2022

	General Fund
Beginning Cash Balance, July 1	\$ 280,456
Collections	
Ad Valorem Tax	223,119
Charges for Services	817,584
American Rescue Plan Rural - ARPA	28,667
Miscellaneous	1,723
Provider Relief Funds Phase 4 - CARES Act	16,893
Total Collections	1,087,986
Disbursements	
Personal Services	695,254
Maintenance and Operations	372,797
Capital Outlay	14,500
Total Disbursements	1,082,551
Ending Cash Balance, June 30	\$ 285,891

Presented for informational purposes.

**ATOKA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Coronavirus Aid, Relief, and Economic Security (CARES) Act

Provider Relief Funds Phase 4 – CARES Act – money distributed to healthcare providers who bill Medicare fee-for-service for healthcare related expenses and lost revenues due to the coronavirus (COVID19) pandemic. Funds were distributed by the Department of Health and Human Services (HHS) through the Health Resources and Service Administration (HRSA). The District received \$16,893 for fiscal year.

American Rescue Plan Act (ARPA)

ARP Rural – ARPA – money distributed to healthcare providers located in rural areas who bill Medicare fee-for-service to help address the disproportionate impact that the COVID-19 pandemic had on rural communities and rural health care providers. Funds were distributed by the Department of Health Resources and Services Administration (HRSA). The District received \$28,667 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, 2022 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 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, 2022 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 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 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.

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

May 16, 2023

**ATOKA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2022-002 – 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:

- Ten (10) disbursements were not signed or initialed certifying receipt of supplies and that the amount paid was correct.
- Two (2) purchase orders did not have supporting documentation attached to provide evidence of the good or services received.

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

**ATOKA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Finding 2022-006 – Lack of Internal Controls Over the Collections and Billing Process (Repeat Finding)

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.
- Two (2) outstanding accounts had not been written off or sent to collections.
- The District did not file the explanation of benefits statement in date order; therefore, Medicare, Medicaid and some other insurance payments could not be identified and 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.

**ATOKA COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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.

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



Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov