

STATUTORY REPORT

# CASHION 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

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

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# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

August 31, 2018

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

Transmitted herewith is the audit report of Cashion 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

**CASHION EMERGENCY MEDICAL SERVICE DISTRICT  
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**Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2017**

	<u>FY 2017</u>
Beginning Cash Balance, July 1	\$ 85,514
Collections	
Ad Valorem Tax	162,751
Interest	37
Total Collections	<u>162,788</u>
Disbursements	
Contract	124,981
Revaluation	1,459
Maintenance and Operations	4,932
Audit Expense	7,416
Total Disbursements	<u>138,788</u>
Ending Cash Balance, June 30	<u>\$ 109,514</u>

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



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Cashion Emergency Medical Service District  
P.O. Box 7  
Cashion, Oklahoma 73016

## **TO THE BOARD OF DIRECTORS OF THE CASHION 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 Cashion 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 Cashion 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 Cashion 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

June 6, 2018

**CASHION EMERGENCY MEDICAL SERVICE DISTRICT  
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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2017-1 - Inadequate Internal Controls and Noncompliance Over the Receipting and Depositing Process (Repeat Finding)**

**Condition:** Upon inquiry and observation of the Cashion Emergency Medical Service District's (the District) receipting and depositing process, the following weaknesses were noted:

- Deposits were not made timely.
  - Of the twenty-eight (28) ad valorem tax checks received during the fiscal year, twenty-five (25) instances were noted in which the check was not deposited for nine (9) to forty-two (42) days after the date the check was issued by Kingfisher and Logan County.
- Receipts were not issued for ad valorem tax checks received.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure funds are deposited daily in accordance with 62 O.S. § 517.3B. Also, policies and procedures have not been designed to ensure receipts are issued in numerical and chronological order for all funds received.

**Effect of Condition:** These conditions resulted in noncompliance with state statute and could result in errors and improprieties, unrecorded transactions, or misappropriation of asset.

**Recommendation:** The Oklahoma State Auditor and Inspector's Office (OSAI) recommends the District ensure all deposits are made on a daily basis in accordance with 62 O.S. § 517.3B. OSAI further recommends the District develop policies and procedures to ensure receipts are issued for all checks received.

**Management Response:**

**Chairman of the Board:** The bank requires two (2) signatures for both checks and deposits which is a control measure put in place due to prior issues. Deposits and disbursements are handled in meetings when the parties required are available to comply with the bank requirements.

**Auditor Response:** OSAI recommends the Board design and implement policies to ensure deposits are made daily and receipts are issued for all checks received to provide effective internal controls over the receipting and depositing process of the District.

**Criteria:** Accountability and stewardship are overall goals of the Board 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.

Title 62 O.S. § 517.3B states in part, "The treasurer of every public entity shall deposit daily, not later than the immediately next banking day..."

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**Finding 2017-2 - Inadequate Internal Controls Over the Disbursement Process (Repeat Finding)**

**Condition:** Based upon inquiry and observation of the disbursement process, the following weaknesses were noted concerning the testwork conducted of the twenty-three (23) disbursements.

- Twenty-two (22) disbursements did not have evidence of goods and or services being received, or the invoice was not signed and verified for accuracy.
- One disbursement for the contract service provider was accounted for in the Estimate of Needs as an audit expense account.

**Cause of Condition:** Policies and procedures have not been designed to ensure all claims contain evidence of a verification and are accounted for correctly in the District's Estimate of Needs.

**Effect of Condition:** These conditions could result in errors and improprieties, unrecorded transactions, misappropriation of assets, or misstated financial information.

**Recommendation:** OSAI recommends the District implement a system of internal controls to ensure that all disbursements have adequate supporting documentation of receipt verification and are accounted for properly in the accounted records.

**Management Response:**

**Chairman of the Board:** The Board will establish policies and procedures to ensure all expenditures have the proper supporting documentation reflecting a verification of accuracy, are appropriate expenditures for the District, and are properly accounted for in the financial reports.

**Criteria:** Accountability and stewardship are overall goals of the Board in the accounting of funds. Effective internal controls are essential to provide reasonable assurance about the achievement of the entity's objectives with the regard to reliability of financial reporting within the proper accounts and evidence of independent verification of goods or services.





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