



CIMARRON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2022

Cindy Byrd, CPA
State Auditor & Inspector

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

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July 17, 2023

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

Transmitted herewith is the audit report of Cimarron 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

**CIMARRON 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

	<u>General Fund</u>
Beginning Cash Balance, July 1	<u>\$ 133,171</u>
Collections	
Ad Valorem Tax	175,058
Charges for Services	31,935
Miscellaneous	6,084
Total Collections	<u>213,077</u>
Disbursements	
Personal Services	161,004
Maintenance and Operations	75,704
Capital Outlay	20,853
Total Disbursements	<u>257,561</u>
Ending Cash Balance, June 30	<u><u>\$ 88,687</u></u>

Presented for informational purposes.



Cimarron County Emergency Medical Service District
P.O. Box 162
Boise City, Oklahoma 73933-0162

**TO THE BOARD OF DIRECTORS OF THE
CIMARRON 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 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 for the fiscal year ended June 30, 2022 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 and 61 O.S. § 101-139.
- 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 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 Cimarron 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 Cimarron 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 Cimarron 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

March 15, 2023

**CIMARRON 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 Billing Process (Repeat Finding)

Condition: Upon inquiry of Cimarron County Emergency Medical Service District (the District) employees, observation of the billing process and a test of thirty (30) ambulance service runs, the following exceptions were noted:

- In two (2) instances, the fee charged by the third-party billing company did not agree to the fee calculated based upon the fees approved by the Board.
- In fourteen (14) instances, the District had not completed the Patient Care Report (PCR); therefore, the amount billed was not collectable.

A report provided by the third-party billing company reflected forty-five (45) patient accounts from July 1, 2020 to June 30, 2022 were denied payment due to late filing.

Additionally, a report, which included one hundred three (103) incidents, indicated forty-three (43) PCRs were completed between 180 – 364 days after the incident date. Of the one hundred three (103) incidents, twenty (20) PCRs were completed more than 365 days after the incident, with one (1) PCR taking 580 days to be completed. which is in violation of the Employee Orientation Policy that requires PCRs to be completed within thirty (30) days of the incident.

Cause of Condition: The District has designed policies and procedures but has not fully implemented policies and procedures to ensure patient accounts are billed according to the fees approved by the Board and PCRs are completed timely allowing the third-party billing company to file ambulance service run charges with insurance companies and patients to receive payment on accounts.

Effect of Condition: These conditions resulted in the loss of revenue and 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 design and implement policies and procedures to ensure patients are billed according to the fees approved by the Board. Additionally, OSAI recommends the District fully implement policies and procedures to comply with their policies and procedures to ensure PCRs are completed timely for the third-party billing company to file ambulance service run charges for prompt payment.

Management Response:

Chairman of the Board: The Board did not respond to this finding.

Auditor Response: OSAI has made multiple attempts to obtain a formal response; however, the Board chose not to respond to this repeat finding.

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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 quasigovernmental entities.

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.

Accurate and timely recording of transactions

Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded.

The GAO Standards – Principle 15 – Communicate Externally – 15.03 states:

Communications with External Parties

Management communicates quality information externally through reporting lines so that external parties can help the entity achieve its objectives and address related risks. Management includes in these communications information relating to the entity’s events and activities that impact the internal control system.

Finding 2022-003 – Lack of Internal Controls and Noncompliance Over the Collections Process (Repeat Finding)

Condition: Upon inquiry of District employees, observation of records, and a test of eleven (11) ad valorem tax deposits, reflected the following weaknesses:

- In eight (8) instances, ad valorem tax deposits totaling \$166,187 were deposited between thirteen (13) and thirty-nine (39) business days after being issued by Cimarron County.

Cause of Condition: The Board has not designed and implemented policies and procedures to ensure ad valorem tax collections are deposited timely.

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

Recommendation: OSAI recommends the District design and implement policies and procedures to deposit collections daily as required by 62 O.S. § 517.3 B.

Management Response:

Chairman of the Board: The Board did not respond to this finding.

Auditor Response: OSAI has made multiple attempts to obtain a formal response; however, the Board chose not to respond to this repeat finding.

Criteria: 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.

Title 62 O.S. § 517.3 B states in part: “The treasurer of every public entity shall deposit daily, not later than the immediately next banking day, all funds and monies of whatsoever kind that shall come into the possession of the treasurer by virtue of the office ...”

Finding 2022-004 – Lack of Internal Controls Over the Disbursement Process (Repeat Finding)

Condition: Upon inquiry of District employees, observation of the disbursement process, and a test of thirty (30) disbursements, the following weaknesses were noted:

- In eleven (11) instances, there was no evidence of a receiving verification of goods and/or services.
- In one (1) instance, the District paid an invoice twice.
- In two (2) instances, purchase orders were not signed by a majority of the Board.

Cause of Condition: The District has not designed policies and procedures to ensure the verification of goods and/or services received was documented, invoices are not paid twice, and all disbursements were approved by the Board and documented in the Board minutes.

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: OSAI recommends the District design and implement policies and procedures to ensure the verification of goods and/or services received is documented, invoices are not paid more than once, and all disbursements are approved by the Board and documented in Board minutes.

**CIMARRON COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
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Management Response:

Chairman of the Board: The Board did not respond to this finding.

Auditor Response: OSAI has made multiple attempts to obtain a formal response; however, the Board chose not to respond to this repeat finding.

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

Policies & Procedures, Bylaws

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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S·A·I
STATE AUDITOR & INSPECTOR



Cindy Byrd, CPA | State Auditor & Inspector

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