



GEARY EMERGENCY MEDICAL SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2018

Cindy Byrd, CPA
State Auditor & Inspector

**GEARY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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August 27, 2019

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

Transmitted herewith is the audit report of Geary Emergency Medical Service District for the fiscal year ended June 30, 2018.

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,



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



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Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2018.

| | <u>General Fund</u> | <u>Sales Tax</u> |
|--------------------------------|---------------------|-------------------|
| Beginning Cash Balance, July 1 | <u>\$ 614,285</u> | <u>\$ -</u> |
| Collections | | |
| Ad Valorem Tax | 158,186 | - |
| Sales Tax Allocation | - | 129,455 |
| Miscellaneous | <u>2,358</u> | <u>-</u> |
| Total Collections | <u>160,544</u> | <u>129,455</u> |
| Disbursements | | |
| Personal Services | 79,961 | - |
| Maintenance and Operations | 7,728 | - |
| Capital Outlay | 1,660 | - |
| Audit Expense | <u>9,491</u> | <u>-</u> |
| Total Disbursements | <u>98,840</u> | <u>-</u> |
| Ending Cash Balance, June 30 | <u>\$ 675,989</u> | <u>\$ 129,455</u> |

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

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Sales Tax of July 1, 2017

On April 4, 2017, the voters of Blaine County approved a county sales tax of one-eighth of one percent (.125%) to become effective on July 1, 2017 and recurring thereafter for emergency medical services as may be necessary as deemed by the Board of County Commissioners of Blaine County and administered by them. This sales tax was established for the following 522 emergency medical service districts; Canton, Geary, Okeene and Watonga (Blaine County 522).

These funds are accounted for as cash funds and designated for each 522 emergency medical service within Blaine County.

For the fiscal year ended June 30, 2018, Geary Emergency Medical Service District was allocated \$129,445.00 in county sales tax appropriations but did not request or expend any county sales tax as approved by the Blaine County Board of County Commissioners

Geary Emergency Medical Service District
P.O. Box 115
Geary, Oklahoma 73040

**TO THE BOARD OF DIRECTORS OF THE
GEARY 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 2018 were accurately presented on the estimate of needs.

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

February 12, 2019

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2018- 001 – Internal Controls Over the Collections Process (Repeat Finding)

Condition: The Geary Emergency Medical Service District (the District) has implemented some mitigating controls including the Board’s review of the bank statement. However, one Board member continues to perform the duties of the collection process resulting in a lack of internal controls and segregation of duties regarding the following duties:

- Receiving mail, including ad valorem tax from the Blaine County Treasurer,
- Preparing and delivering the deposit to the bank, and
- Preparing the monthly financial report.

Cause of Condition: Policies and procedures have not been designed and implemented to sufficiently segregate the duties of the collection process, including implementing evidence of a review process among the Board members to ensure funds are accurately reported.

Effect of Condition: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions 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 District Board be aware of these conditions and realize that a 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 District Board’s oversight of office operations and a periodic review of operations. OSAI recommends the District Board provide segregation of duties so that no one can perform all accounting functions. Mitigating controls would include evidence of the review of the monthly report by the Board members and separating the duties of receiving the mail and depositing the funds in the bank.

Management Response:

Chairman of the Board: The Geary Emergency Medical Service District Board is aware of the limited segregation of duties within the collection process and will review monthly financial reports and bank statement reconciliations at each monthly meeting to mitigate the risk of the limited segregation of duties.

Criteria: Accountability and stewardship are overall goals of the District Board in the accounting of funds. Internal controls over safeguarding of assets constitute a process, affected by an entity’s governing body, the District Board, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from misappropriation. To help ensure a proper accounting of funds, the duties of receiving, receipting, and recording, should be segregated.

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Finding 2018-003 – Internal Controls Over Fixed Assets Inventory (Repeat Finding)

Condition: Based on discussion with the District Board Treasurer and review of documents, the following exceptions regarding fixed assets records were noted:

- The District Board has not designed a policy or procedure to track or safeguard District owned fixed assets inventory.
- A physical inventory of the District’s fixed assets was not performed during the fiscal year.
- Equipment purchased by the District that is used by the ambulance service provider has not been accounted for by the District on a fixed assets inventory listing.

Cause of Condition: Policies and procedures have not been designed and implemented to provide adequate internal controls over the fixed assets inventory including an annual physical verification of fixed assets was not performed by the District.

Effect of Condition: Opportunities for loss and misappropriation of District fixed assets may be more likely to occur when the District does not maintain a listing of fixed assets and supporting documentation of an annual physical verification of fixed assets.

Recommendation: OSAI recommends the Board implement a system of accounting for fixed assets inventory owned by the District and maintain supporting documentation for fixed assets inventory verification. OSAI further recommends all supporting documentation be signed and dated by the individual performing the verification and the individual responsible for reviewing the accuracy of the documentation.

Management Response:

Chairman of the Board: The Geary Emergency Medical Service District Board has established a policy and procedure to maintain and update a fixed assets inventory listing of items costing \$500.00 or more and has been provided a current listing of physically verified fixed assets that are used by the ambulance service provider.

Criteria: An important aspect of internal controls is the safeguarding of fixed assets. Internal controls over safeguarding of fixed 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 acquisition, use, or disposition of fixed assets and safeguard assets from loss, damage, or misappropriation.

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Cindy Byrd, CPA | State Auditor & Inspector

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