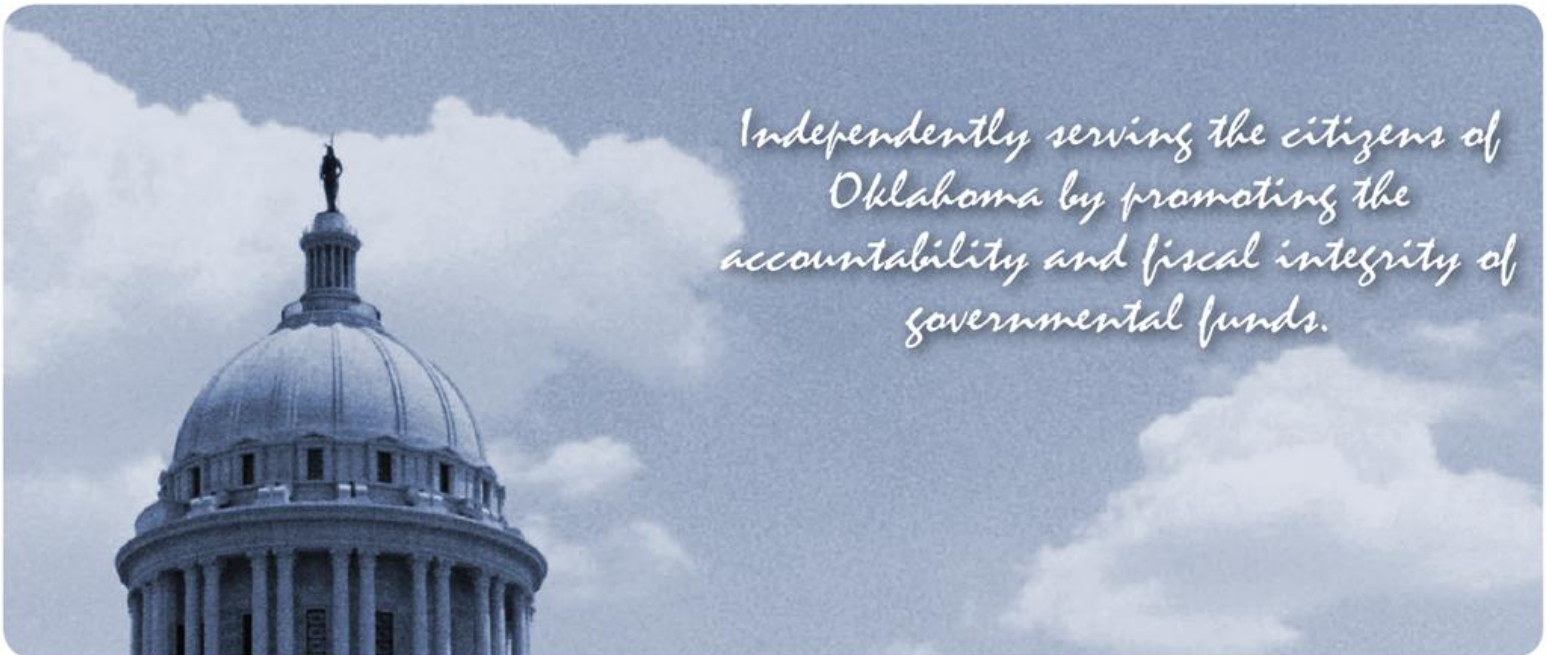


STATUTORY REPORT

# GREER COUNTY SPECIAL AMBULANCE SERVICE DISTRICT

For the fiscal year ended June 30, 2015



*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

**GREER COUNTY SPECIAL AMBULANCE SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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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](http://www.sai.ok.gov)) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to 74 O.S. § 3105.B.



# Oklahoma State Auditor & Inspector

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

March 8, 2016

**TO THE BOARD OF DIRECTORS OF THE  
GREER COUNTY SPECIAL AMBULANCE SERVICE DISTRICT**

Transmitted herewith is the audit report of Greer County Special Ambulance Service District for the fiscal year ended June 30, 2015.

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".

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR

**GREER COUNTY SPECIAL AMBULANCE SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2015**

	<u>FY 2015</u>
Beginning Cash Balance, July 1, as restated	\$ 116,422
Collections	
Ad Valorem Tax	52,172
Charges for Services	659,404
Miscellaneous	339
Total Collections	<u>711,915</u>
Disbursements	
Personal Services	351,369
Travel	19,000
Maintenance and Operations	154,315
Capital Outlay	139,160
Audit Expense	2,304
Total Disbursements	<u>666,148</u>
Ending Cash Balance, June 30	<u>\$ 162,189</u>

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



# Oklahoma State Auditor & Inspector

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Greer County Special Ambulance Service District  
121 E. Jefferson Street  
Mangum, Oklahoma 73554

## **TO THE BOARD OF DIRECTORS OF THE GREER COUNTY SPECIAL AMBULANCE 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 2015 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Greer County Special Ambulance 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 Greer County Special Ambulance 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 Greer County Special Ambulance 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, appearing to read "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR

March 4, 2016

**GREER COUNTY SPECIAL AMBULANCE SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE PERIOD JULY 1, 2014 THROUGH JUNE 30, 2015**

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2015-01 – Inadequate Internal Controls Over the Collections Process (Repeat Finding)**

**Condition:** Upon inquiry and observation of the District’s collection process, we determined the following:

- Duties are not adequately segregated due to one employee preparing patient accounts, performing the billing process, posting to patient accounts, and issuing receipts.
- Bank reconciliations are not being performed on a monthly basis.

**Cause of Condition:** Procedures have not been designed with regards to segregating the duties over aspects of the collection and reconciling process.

**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 management be aware of this condition and realize that a concentration of duties and responsibilities in a limited number of individual is not desired from a control point of view. In the event a segregation of duties is not possible, OSAI recommends implementing compensating controls such as the implementation of review processes of key accounting functions. OSAI further recommends that bank reconciliations be performed and approved by someone other than the preparer on a monthly basis.

**Management Response:**

**Chairman:** The District is aware of the condition and will add mitigating controls of management review in order to mitigate the risk associated with having one employee perform these duties. Also, management has implemented the performance of bank reconciliations.

**Criteria:** Accountability and stewardship are overall goals of management in accounting of funds. To help ensure a proper accounting of funds, preparing patient accounts, performing the billing process, posting to patient accounts, issuing receipts, and transaction authorization should be segregated.

**Finding 2015-02 – Inadequate Internal Controls Over Disbursements of District Funds and Noncompliance with State Statutes**

**Condition:** Upon inquiry of employees and observation of the District’s disbursement process, the following was noted:

**GREER COUNTY SPECIAL AMBULANCE SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE PERIOD JULY 1, 2014 THROUGH JUNE 30, 2015**

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- The District uses credit cards to make purchases without statutory authority to do so. The District has a credit card service at a local bank with one card (for the administrator).

Further, in the test of twenty-five disbursements, the following exceptions were noted:

- Two disbursements did not have adequate supporting documentation.

**Cause of Condition:** Policies and procedures have not been designed and implemented with regard to the disbursement process to ensure adequate internal controls over the expenditure of funds.

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

**Recommendation:** OSAI recommends that the District discontinue use of credit cards that are not authorized by Article 10 section 9C of the Oklahoma Constitution. We further recommend the District utilize P-Cards and ComData Fuel Cards as these credit cards are approved through state contract.

**Management Response:**

**Chairman:** Management acknowledges the use of credit cards and will present to the Board for further action on the matter. Management will also implement procedures in regards to all documentation being attached to purchase orders.

**Criteria:** Effective internal controls require that management establish policies and procedures that detect and prevent abusive and unauthorized transactions. Furthermore, the Oklahoma statutes do not authorize Districts to utilize credit cards that are not statutorily approved.

Article 10 section 9C of the Oklahoma State Constitution allows only the sale of bonds as a manner for incurring debt, as follows;

“Any district board of trustees may issue bonds, if approved by a majority vote at a special election for such purpose.”

Title 19 O.S. § 1717 (B,C) states in part: “B. It shall be unlawful for any employee or member of the board in any budget year: 1. To create or authorize creation of a deficit in any fund... C. Any obligation that is contracted or authorized by any member or employee of the board in violation of this act shall become the obligation of the member or employee himself and shall not be valid or enforceable against the district. Any member or employee who violates this act shall forfeit his position and shall be subject to such civil and criminal punishments as are provided by law. Any obligation, authorization for expenditure or expenditure made in violation of this act shall be illegal and void.



**GREER COUNTY SPECIAL AMBULANCE SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE PERIOD JULY 1, 2014 THROUGH JUNE 30, 2015**

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**Finding 2015-03 – Inadequate Internal Controls Over Payroll Expenditures**

**Condition:** Upon inquiry and observation of the payroll process it was noted that procedures have not been designed and implemented to provide reasonable assurance that payroll expenditures are properly recorded in the accounting records of the District.

- Timesheets are not always signed by the employee.
- Timesheets do not always have a signature of approval from a supervisor.

**Cause of Condition:** Policies and procedures have not been designed or implemented with regards to the payroll process to ensure adequate internal controls over the payroll.

**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 that management establish internal controls to provide reasonable assurance for the accurate and complete presentation of payroll expenditures in the financial records of the District.

**Management Response:**

**Chairman:** Management will implement procedures in regards to making sure all payroll expenditures having timesheets signed by the employee, administrator, and attached to the payroll claim.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. Internal controls should be designed and implemented to provide reasonable assurance that the payroll expenditures of the District are accurately reported.



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