



# MAJOR COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

## Statutory Report

For the fiscal year ended June 30, 2023

**Cindy Byrd, CPA**  
State Auditor & Inspector

**MAJOR COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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October 13, 2025

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

Transmitted herewith is the audit report of Major County Emergency Medical Service District for the fiscal year ended June 30, 2023.

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". The signature is written in a cursive, flowing style.

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

**MAJOR COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
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**Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2023**

	<u>General Fund</u>
Beginning Cash Balance, July 1	\$ 635,848
Collections	
Ad Valorem Tax	545,573
Charges for Services	336,444
Miscellaneous	328,370
Total Collections	<u>1,210,387</u>
Disbursements	
Personal Services	503,191
Maintenance and Operations	267,837
Capital Outlay	264,307
Total Disbursements	<u>1,035,335</u>
Ending Cash Balance, June 30	<u>\$ 810,900</u>

*Presented for information purposes.*



Major County Emergency Medical Service District  
224 N. Main  
Fairview, Oklahoma 73737

**TO THE BOARD OF DIRECTORS OF THE  
MAJOR 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, 2023 were secured by pledged collateral in accordance with 62 O.S. § 517.4 (A).
- 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 all purchases requiring bids complied with 19 O.S. § 1723 and 61 O.S. § 101-139.
- 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 compliance with contract service providers.
- Determined whether the District's collections, disbursements, and cash balances for the fiscal year ended June 30, 2023 were accurately presented on the estimate of needs.

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

September 15, 2025

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2023-001 – Lack of Internal Controls Over the Billing and Collection Process (Repeat Finding)**

**Condition:** Upon inquiry of the Major County Emergency Medical Service District (the District) employees and observation of the billing and collection process, the following weaknesses were noted:

The District does not have an adequate segregation of duties to ensure that duties assigned to individuals are done so in a manner that would not allow one individual to control both the recording function and the procedures relative to processing a transaction.

- One (1) individual performs the following duties:
  - Receives the mail.
  - Issues receipts.
  - Prepares the deposit.
  - Notifies the third-party billing company of payments received.

Additionally, the test of thirty (30) ambulance service runs, reflected the following weaknesses:

- In twelve (12) instances, the third-party billing company did not use the Board approved billing rates which resulted in an over billing in the amount of \$2,494.
- In six (6) instances, payments could not be traced to bank statements because the Estimate of Benefits were not available to determine which deposit contained the payment.
- In one (1) instance, there was no documentation to note how much, if any, the insurance adjusted the bill and amount due. Full payment information could not be determined or traced to the bank statement.
- The District relied solely on the third-party billing company to ensure patient account balances were correct.

**Cause of Condition:** Policies and procedures have not been designed and implemented to sufficiently segregate the duties of the billing and collections process. Additionally, policies and procedures have not been designed and implemented to monitor patient accounts, and ensure patients are billed in accordance with District policy.

**Effect of Condition:** A single person that has 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. These conditions resulted in the District under/over-billing for ambulance services and could result in unrecorded transactions, misstated financial reports, and clerical errors.

**Recommendation:** The Oklahoma State Auditor & Inspector's Office (OSAI) recommends the Board be aware of these conditions and realize that concentration of duties and responsibilities in a limited number

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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. Additionally, OSAI recommends the District design and implement policies and procedures to monitor patient accounts and to review the third-party billing service records to determine amounts charged agree to the fee schedule.

**Management Response:**

**Chairman of the Board:** We have changed our third-party billing company, they have assured us that we will be given a more detailed report of each patient, how they were billed and that we will receive explanation of benefits for each patient for record keeping and better accountability.

The Board has hired an assistant for the executive director in the office so there can be more segregation in the office and the duties being performed. Which will also allow more time to focus on the patient accounts.

**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:

*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.

*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 16 – Perform Monitoring Activities – 16.05 states, in part:

*Internal Control System Monitoring*

Management performs ongoing monitoring of the design and operating effectiveness of the internal control system as part of the normal course of operations. Ongoing monitoring

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includes regular management and supervisory activities, comparisons, reconciliations and other routine actions.

**Finding 2023-002 – Lack of Internal Controls Over the Accounting Processes**

**Condition:** Upon inquiry of the District personnel and observation of the accounting process and a reperformance of the June 30, 2023 bank reconciliations, the following weaknesses were noted:

- The bank reconciliations were not signed and dated by the preparer and had no evidence of review by someone other than the preparer and no evidence of Board approval.
- One (1) bank reconciliation had an unknown variance of \$371, that has been carried as reconciling item since December 2022.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure bank reconciliations are signed and dated by the preparer, signed and dated by someone other than the preparer as a secondary review and reviewed and approved by the Board. Additionally, unidentified reconciling items may not be adequately investigated due to lack of review.

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

**Recommendation:** OSAI recommends the District design and implement policies and procedures over bank reconciliations, which includes all monthly bank reconciliations being signed and dated by the preparer, evidence of review and approval by someone independent of the preparer, and all bank reconciliations be presented to and approved by the Board. Additionally, all reconciling items should be promptly investigated and resolved, with documentation maintained.

**Management Response:**

**Chairman of the Board:** The Board will ask for a bank reconciliation report to be given along with the financial report each month, from the accountant to be discussed and approved at each board meeting.

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

*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.





Cindy Byrd, CPA | State Auditor & Inspector

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