



MARSHALL COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2023

Cindy Byrd, CPA
State Auditor & Inspector

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

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OKLAHOMA
Office of the State Auditor & Inspector

Cindy Byrd, CPA | State Auditor & Inspector

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

April 4, 2025

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

Transmitted herewith is the audit report of Marshall 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 fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



Marshall County Emergency Medical Service District
4 Hospital Drive
Madill, Oklahoma 73446

**TO THE BOARD OF DIRECTORS OF THE
MARSHALL 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 collections 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.
- 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 Marshall 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 Marshall 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 Marshall County 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 "Cindy Byrd". The signature is written in a cursive, flowing style.

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

March 11, 2025

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2023-001 – Lack of Internal Controls and Noncompliance Over the District Financial Statements and Estimate of Needs (Repeat Finding)

Condition: Upon inquiry of the Marshall County Emergency Medical Service District (the District) Office Administrator and Director, and observation and review of financial records, and the fiscal year 2023-2024 Estimate of Needs (EON), the following weaknesses were noted:

- The following items used to reconcile the District’s bank balance to the District’s financial ledger balance could not be verified:
 - One hundred sixteen (116) outstanding deposits totaling \$103,223, ranging in dates from October 13, 2021 through June 27, 2023.
 - Twelve (12) negative deposits totaling \$2,734 were recorded as outstanding warrants.
 - Outstanding warrants totaling \$85,308 were recorded; however, twenty-six (26) additional warrants totaling \$32,420 with a date of June 30, 2023, cleared the bank and were not included on the June 30th bank reconciliation.
- Evidence of review by someone other than the preparer was not documented.
- The District’s financial statements could not be reconciled to the June 30, 2023 bank statement balance or EON. We noted the following exceptions:
 - A variance of \$49,410 was noted between the bank reconciliation balance and the balance sheet balance.

Bank Reconciliation Balance	Balance Sheet Balance
\$722,269	\$672,859

- A variance of \$,80,684 was noted between the outstanding warrants reported on the bank reconciliation and the outstanding warrants reported on the bank reconciliation.

Outstanding Warrants on Bank Reconciliation	Outstanding warrants on Schedule 1 EON
\$85,308	\$4,624

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- The EON's beginning balance, plus collections, minus disbursements does not agree to the ending balance reported on the EON.

EON Beginning Balance	\$ 698,498
Plus EON Collections	1,661,330
Minus EON Disbursements	(1,368,300)
Calculated Ending Balance	<u>\$ 991,528</u>
Reported Ending Balance on EON	\$ 692,132
Unknown Variance	<u>\$ 300,508</u>

- The District's disbursements and ending balance were not accurately presented in the District's EON.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure financial records are accurate and the disbursements and ending balance are accurately reported on the EON in accordance with state statutes.

Effect of Condition: These conditions resulted in noncompliance with state statute, and could result in unrecorded transactions, misstated financial reports, clerical errors, loss of funds or misappropriation of funds not being detected in a timely manner.

Recommendation: The Oklahoma State Auditor & Inspector's Office recommends the Board design and implement policies and procedures to ensure the District financial records are accurate, complete and can be reconciled with the bank account and the EON is completed in compliance with state statutes.

Management Response:

Chairman of the Board: The above items are a result of the accounting practices by the former Marshall County Emergency Medical Services (MCEMS) accountant. It has been brought to our attention that the financial statements and the Estimate of Needs have been manipulated by altering the formulas that were in place. This altering allowed for input of data to "make the numbers fit". Beginning in December 2023, MCEMS business office began correcting data entered incorrectly in our accounting system to provide more accurate financial statements.

MCEMS has developed new policies and practices to ensure the Financial Statements, and the Estimate of Needs are accurate and balanced. Checks and balances have been developed with signature forms of who performed the duties.

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 quasi-governmental entities.

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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.”

The GAO Standards – Principal 13 – Use Quality Information – 13.04 states the following:

Relevant Data from Reliable Sources

Management obtains relevant data from reliable internal and external sources in a timely manner based on the identified information requirements. Relevant data have a logical connection with, or bearing upon, the identified information requirements. Reliable internal and external sources provide data that are reasonably free from error and bias and faithfully represent what they purport to represent. Management evaluates both internal and external sources of data for reliability.

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 19 O.S. § 1702 states “The purpose of this act is to provide a budget procedure for emergency medical service districts which shall:

- 1.Establish uniform and sound fiscal procedures for the preparation, adoption, execution and control of budgets.
- 2.Enable districts to make financial plans for both current and capital expenditures and to ensure that their directors administer their respective functions in accordance with adopted budgets.
- 3.Make available to the public and investors sufficient information as to the financial conditions, requirements and expectations of the district; and
- 4.Assist districts to improve and implement generally accepted accounting principles as applied to governmental accounting, auditing and financial reporting and standards of governmental finance management.”

Further, 19 O.S. § 1722 states “For the purpose of carrying into effect the provisions of this act, and for its proper administration, the State Auditor and Inspector is hereby empowered to promulgate and enforce such rules and regulations as may be necessary but not inconsistent herewith, and he shall prescribe all the forms of whatsoever nature referred to in this act

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including but not necessarily limited to budget forms, supporting schedule forms and all other accounting stationery required, desired or needed under the provisions of this act.”



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