



OKEENE EMERGENCY MEDICAL SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2019

Cindy Byrd, CPA
State Auditor & Inspector

**OKEENE EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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February 19, 2021

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

Transmitted herewith is the audit report of Okeene Emergency Medical Service District for the fiscal year ended June 30, 2019.

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 2019

	<u>General Fund</u>	<u>Sales Tax</u>
Beginning Cash Balance, July 1	\$ 30,317	\$ 23,445
Collections		
Ad Valorem Tax	61,888	-
Sales Tax Reimbursements	76,680	-
Sales Tax	-	279,513
Charges for Services	38,108	-
Miscellaneous	1,176	-
Total Collections	<u>177,852</u>	<u>279,513</u>
Disbursements		
Personal Services	123,774	-
Maintenance and Operations	28,775	166,003
Capital Outlay	14,894	-
Audit Expense	-	-
Total Disbursements	<u>167,443</u>	<u>166,003</u>
Ending Cash Balance, June 30	<u>\$ 40,726</u>	<u>\$ 136,955</u>

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

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SALES TAX

Sales Tax of July 1, 2017

On April 4, 2017, the voters of Blaine County approved an additional 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 purpose of contracting with 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 as such for each named 522 emergency medical service within Blaine County.

For the fiscal year ended June 30, 2019, Okeene Emergency Medical Service District was allocated \$279,513 in county sales tax appropriations and expended \$166,003 through the Blaine County Board of County Commissioners for the reimbursement of monthly expenses or direct payment of expenses submitted by the Okeene Emergency Medical Service District. These expenses were classified as maintenance and operations by the Blaine County Clerk.

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

Okeene Emergency Medical Service District
118 W. Madison
Okeene, Oklahoma 73763

**TO THE BOARD OF DIRECTORS OF THE
OKEENE 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, 2019 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(s) ended June 30, 2019 were accurately presented on the estimate of needs.

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

December 17, 2020

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2019-002 – Lack of Internal Controls Over the Documentation of the Collection Process for Ambulance Run Revenue (Repeat Finding)

Condition: Upon inquiry of the District Board members and observation of the collection process for ambulance run revenue, the following weakness was noted:

- Receipts were not issued for payments received; therefore, the amount received for each ambulance run could not be tested to determine if it was deposited timely and correctly in the District’s bank account and patients' accounts.

Cause of Condition: Policies and procedures have not been designed and implemented to issue receipts for collection of ambulance run revenue.

Effect of Condition: This condition could result in unrecorded transactions, misstated financial reports, undetected errors, or the misappropriation of funds.

Recommendation: The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends the District design and implement policies and procedures to ensure receipts are issued for funds received and timely and accurately posted to the District’s bank account and patients’ accounts.

Management Response:

Chairman of the Board: The District will develop and implement policies and procedures to ensure receipts are issued for ambulance run revenue. The Board will develop and implement policies and procedures to ensure regular reviewal of patients’ accounts.

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

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.

Finding 2019-003 – Lack of Internal Controls Over Fixed Assets Inventory Records (Repeat Finding)

Condition: Upon inquiry of District staff, observation, and review of the of the District’s fixed assets inventory records, the following weaknesses were noted:

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- The District has not established a dollar threshold for the inventory of fixed assets.
- The fixed assets inventory list did not reflect the cost of items.
- A periodic physical inspection of fixed assets inventory was not performed or documented.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure fixed assets inventory is properly accounted for, maintained, and updated regularly by the District.

Effect of Condition: These conditions could result in errors and improprieties, unrecorded transactions, misappropriation of assets, or loss of District equipment.

Recommendation: OSAI recommends the District implement policies and procedures to establish a dollar threshold and ensure the cost of the item is reflected when recording fixed assets, to accurately maintain fixed assets inventory records. Additionally, an annual physical verification of assets should be performed and documented by the reviewer and approved by the Board.

Management Response:

Chairman of the Board: The District will develop and implement policies and procedures to establish a dollar threshold and ensure the cost of the item is reflected when reporting fixed assets. The Board will develop and implement policies and procedures to maintain an updated and accurate fixed assets inventory list. The Board will develop and implement policies and procedures to ensure regular review of the fixed assets inventory list and physical verification of the fixed assets inventory list for review and approval of the Board.

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

Segregation of Duties

Management establishes physical control to secure and safeguard vulnerable assets. Examples include security for and limited access to assets such as cash, securities, inventories, and equipment that might be vulnerable to risk of loss or unauthorized use. Management periodically counts and compares such assets to control records.

Additionally, The GAO Standards Section 2 – Establishing an Effective Internal Control System - OV2.24 states:

Safeguarding of Assets

Management designs an internal control system to provide reasonable assurance regarding prevention or prompt detection and correction of unauthorized acquisition, use, or disposition of an entity's assets.

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Cindy Byrd, CPA | State Auditor & Inspector

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