



SOUTHWEST OKLAHOMA AMBULANCE AUTHORITY

Statutory Report

For the fiscal year ended June 30, 2022

Cindy Byrd, CPA
State Auditor & Inspector

**SOUTHWEST OKLAHOMA AMBULANCE AUTHORITY
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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October 4, 2023

**TO THE BOARD OF DIRECTORS OF THE
SOUTHWEST OKLAHOMA AMBULANCE AUTHORITY**

Transmitted herewith is the audit report of Southwest Oklahoma Ambulance Authority for the fiscal year ended June 30, 2022.

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".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

**SOUTHWEST OKLAHOMA AMBULANCE AUTHORITY
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2022

	<u>General Fund</u>
Beginning Cash Balance, July 1	<u>\$ 196,072</u>
Collections	
Ad Valorem Tax	71,657
Charges for Services	132,739
Miscellaneous	886
Total Collections	<u>205,282</u>
Disbursements	
Personal Services	122,929
Maintenance and Operations	75,226
Total Disbursements	<u>198,155</u>
Ending Cash Balance, June 30	<u><u>\$ 203,199</u></u>

Presented for informational purposes.



Southwest Oklahoma Ambulance Authority
P.O. Box 88
Hollis, Oklahoma 73550

**TO THE BOARD OF DIRECTORS OF THE
SOUTHWEST OKLAHOMA AMBULANCE AUTHORITY**

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, 2022 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 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 whether the District's collections, disbursements, and cash balances for the fiscal year ended June 30, 2022 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Southwest Oklahoma Ambulance Authority.

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 Southwest Oklahoma Ambulance Authority.

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 Southwest Oklahoma Ambulance Authority. 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

June 6, 2023

**SOUTHWEST OKLAHOMA AMBULANCE AUTHORITY
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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2022-001 – Lack of Internal Controls Over the Billing and Collection Processes (Repeat Finding)

Condition: Upon inquiry of Southwest Oklahoma Ambulance Authority (the Authority) employees, observation of the billing process and a test of thirty-three (33) ambulance service runs, the following weaknesses were noted:

- In one (1) instance the fee billed did not agree to the fee schedule.
- There was no evidence that patient account balances were reviewed by the Authority to determine the following:
 - Patient accounts were accurately billed.
 - Patient account balances were current.
 - Outstanding patient accounts were collectable or uncollectable.

Additionally, a test of eleven (11) ad valorem tax deposits for the fiscal year reflected the following weakness:

- In three (3) instances ad valorem tax remittances totaling \$1,034.99 were deposited twelve (12) to twenty-one (21) days after the date the remittances were issued by the Harmon County Treasurer.

Cause of Condition: Policies and procedures were not designed and implemented to monitor the collection of patient accounts and determine runs were billed in accordance with the approved fee schedule. Additionally, policies and procedures were not designed and implemented to ensure timely deposit of ad valorem tax received by the Authority.

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

Recommendation: The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends that the Authority design and implement policies and procedures to obtain current monthly patient account statements from the third-party billing service, which reflect amounts billed, paid, and ending balances of individual patient accounts and review those statements for propriety. Additionally, OSAI recommends the Authority design and implement policies and procedures to document the review and approval of documents. Further, OSAI recommends the Authority design and implement policies and procedures to ensure ad valorem tax checks are deposited timely.

Management Response:

Chairman of the Board: The Director talked to the third-party billing company and the rates will be changed to reflect the 2020 increase. Patient accounts will now be billed accurately. This problem is corrected.

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The Board has developed policies and procedures to ensure all billing will be performed in a timely manner and the Authority will have records of outstanding patients accounts. The Medics will bring Patient Care Sheets (PCS) directly to the District office and at the end of the week they will be scanned to the third-party billing company. As the deposits are made, they will be scanned with the Electronic Statement of Benefits (EOBs) and other necessary paperwork, to the third-party billing company so the payments can be applied to the patient accounts. At the end of each month, the Board will review reports from the third-party billing company. The Office Manager will keep the reports in a binder.

When an ad valorem tax remittance is received, the Director will make it a priority to deposit the check that day or as soon as possible. This problem is corrected.

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.

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.

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.

The GAO Standards – Principle 12 – Internal Control Activities – 12.04 states in part:

Documentation of Responsibilities through Policies

Those in key roles for the unit may further define policies through day-to-day procedures, depending on the rate of change in the operating environment and complexity of the operational process. Procedures may include the timing of when a control activity occurs and any follow-up corrective actions to be performed by competent personnel if deficiencies are identified. Management communicates to personnel the policies and procedures so that personnel can implement the control activities for their assigned responsibilities.

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The GAO Standards – Principle 13 – Use Quality Information - 13.04 states in part:

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. Sources of data can be operational, financial, or compliance related. Management obtains data on a timely basis so that they can be used for effective monitoring.

O·K·L·A·H·O·M·A
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Cindy Byrd, CPA | State Auditor & Inspector

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