



VICI-CAMARGO EMERGENCY MEDICAL SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2020

Cindy Byrd, CPA
State Auditor & Inspector

**VICI-CAMARGO EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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August 7, 2023

**TO THE BOARD OF DIRECTORS OF THE
VICI-CAMARGO EMERGENCY MEDICAL SERVICE DISTRICT**

Transmitted herewith is the audit report of Vici-Camargo Emergency Medical Service District for the fiscal year ended June 30, 2020.

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

**VICI-CAMARGO EMERGENCY MEDICAL SERVICE DISTRICT
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Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2020

	<u>General Fund</u>	<u>Sales Tax Revolving Fund</u>
Beginning Cash Balance, July 1	\$ 155,366	\$ 174,047
Collections		
Ad Valorem Tax	97,012	-
Charges for Services	34,294	-
Sales Tax Revenue	-	57,597
Miscellaneous	1,970	450
Provider Relief Funds Phase I - CARES Act	1,946	-
Total Collections	<u>135,222</u>	<u>58,047</u>
Disbursements		
Personal Services	58,124	-
Maintenance and Operations	41,834	-
Capital Outlay	5,886	-
Audit Expense	1,953	-
Total Disbursements	<u>107,797</u>	<u>-</u>
Ending Cash Balance, June 30	<u>\$ 182,791</u>	<u>\$ 232,094</u>

Presented for informational purposes.

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Sales Tax

Dewey County voters passed a three-quarters (.75) of one cent sales tax on April 1, 2014. The sales tax is restricted to the following areas:

- County Roads and Bridges
- County Fire Protection
- Emergency Medical Services
- Public Safety Projects

The Vici-Camargo Emergency Medical Service District (the District) receives county sales tax that is passed through the Dewey County Public Facilities Authority (DCPFA) from Dewey County per the sales tax ballot. The District has a designated bank account for the funds received. Funds are used for the improvement and operation of the District.

The District submits a claim for reimbursement detailing the item(s) the District would like to purchase using the county sales tax funds to the DCPFA. The DCPFA Board votes to approve or deny the request for funds from the District. If the request is approved, the DCPFA Board Treasurer requests that the bank issue a check to the District for the approved amount.

For the fiscal year ended June 30, 2020, the District was allocated \$57,597 in sales tax appropriations, \$450 in miscellaneous collections, and didn't expend any funds.

Coronavirus Aid, Relief, and Economic Security (CARES) Act – OKAMA

Provider Relief Funds Phase 1 – CARES Act - Money distributed to healthcare providers who bill Medicare fee for service to provide financial relief during the coronavirus (COVID-19) pandemic. Funds were distributed by the Department of Health and Human Services (HHS) through the Health Resources and Service Administration. The District received \$1,946 for the fiscal year.



Vici-Camargo Emergency Medical Service District
P.O. Box 239
Vici, Oklahoma 73859

**TO THE BOARD OF DIRECTORS OF THE
VICI-CAMARGO 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, 2020 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, 2020 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Vici-Camargo 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 Vici-Camargo 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 Vici-Camargo 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

March 29, 2023

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2020-001 – Lack of Internal Controls Over the Billing Process(Repeat Finding)

Condition: Upon inquiry of the Vici-Camargo Emergency Medical Service District (the District) employees, observation of the billing process and a test of thirty (30) ambulance service runs, the following weaknesses were noted:

- In ten (10) instances, the District did not maintain billing documentation for the ambulance service run.
- In two (2) instances, the fee charged did not agree to the fee calculated based upon the fees approved by the Board.
- In fifteen (15) instances, it could not be determined that payments were made on patient accounts.

Additionally, the District staff and Board members did not provide oversight over the billing process:

- The District did not maintain patient accounts identifying:
 - that a patient was billed,
 - that a payment was made on account,
 - that an account was still outstanding, or
 - that an account was uncollectable.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure timely and accurate billing of ambulance service runs and maintenance of patient account balances.

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

Recommendation: The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends the District Board design and implement policies and procedures to ensure billing for ambulance service runs is performed in accordance with District policy and patient accounts are properly maintained.

Management Response:

Chairman of the Board: OSAI provided a spreadsheet format to the District. The Director is using that spreadsheet for all ambulance service runs. The spreadsheet shows all totals of what was billed, received from insurances and what is to be a write off. This spreadsheet will replace the software that was in use for the fiscal year 2020 audit. The Board further discussed designing and implementing a policy and procedure to address outstanding bills and uncollectable accounts. A policy and procedure will be implemented by the May 2023 Board meeting.

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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:

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.

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.

Finding 2020-002 – Lack of Internal Controls and Noncompliance Over the Collection and Accounting Processes

Condition: Upon inquiry of District employees and a test of twelve (12) ad valorem tax deposits, the following weakness was noted:

- In eleven (11) instances, ad valorem deposits totaling \$75,289 were deposited more than seven (7) days after the remittance was issued by the County.

Additionally, bank reconciliations were not performed during the fiscal year.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure ad valorem tax collections are deposited in a timely manner in accordance with state statute, and bank reconciliations were performed, reviewed, and approved by the Board.

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

Recommendation: OSAI recommends the Board design and implement policies and procedures to ensure ad valorem tax funds are deposited in accordance with 62 § 517.3(B). Furthermore, OSAI recommends the

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Board design and implement policies and procedures to ensure all bank accounts are reconciled, and the reconciliations are reviewed and approved by the Board.

Management Response:

Chairman of the Board: The ad valorem checks were left in the mailbox for longer than seven (7) days. The accounting office that performs the bookkeeping and records the deposits, will gather the mail on the first working day of each week. At that time a deposit slip will be made, and the Director will be called to take the deposit to the bank. The accountant's office will also reconcile each bank account of the District. The accountant's employee will sign and date after preparing the reconciliation and a Board member will also sign and date the reconciliation. The District will design and implement a policy and procedure regarding the reconciliation of the bank accounts. This policy and procedure will be ready for review and implemented by the September 2023 District meeting.

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.

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 – 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 62 O.S. § 517.3(B) states in part, “The treasurer of every public entity shall deposit daily, not later than the immediately next banking day, all funds and monies of whatsoever kind that shall come into the possession of the treasurer by virtue of the office ...”.

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Finding 2020-003 – Lack of Internal Controls Over the Disbursement Process

Condition: Upon inquiry of District employees, observation of the disbursement process, and a test of thirty (30) disbursements, the following weaknesses were noted:

- In twelve (12) instances, purchase orders were not approved by a majority of the Board members.
- In thirteen (13) instances, there was no evidence of a receiving verification such as a packing slip or signature of a medic.
- In four (4) instances, adequate supporting documentation could not be located.
- In one (1) instance, the purchase order and the supporting documentation could not be located.

Cause of Condition: The District has not designed policies and procedures to ensure purchase orders were approved by a majority of the Board, verification of goods and/or services received was documented, and purchase orders and supporting documentation was retained.

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 the District design and implement policies and procedures to ensure approval by a majority of the Board is documented and verification of goods and/or services received is documented. Additionally, OSAI recommends the District design and implement policies and procedures to ensure purchase orders and supporting documentation is retained.

Management Response:

Chairman of the Board: All purchase orders will be signed by all members of the Board. In the event of a Board quorum is not available for the monthly Board meeting, the purchase orders will be signed to pay the bills and employees. This Board packet will then be brought to the next meeting to be signed by all Board members and disbursements voted on for approval. All packing slips and gas receipts will be included in the Board packet and scanned by the accounting office so that all paperwork is complete and can be verified to the bills and employees paid.

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.

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Finding 2020-004 – Lack of Internal Controls Over the Payroll Process

Condition: Upon inquiry of the District employees, review of the payroll process and a test of nine (9) timesheets, the following weaknesses were noted:

- In eight (8) instances, timesheets were not signed by the employee.
- In one (1) instance, the Director’s timesheet was not signed as reviewed by someone other than the Director.
- Employees do not document administrative time worked.

Cause of Condition: The District has not designed and implemented policies and procedures to ensure timesheets were signed by employees, the Director’s timesheet was reviewed by someone other than the Director, and timesheets were completed for administrative hours worked.

Effect of Condition: These conditions could result in unrecorded transactions, misstated financial reports, clerical errors or misappropriation of funds not being detected timely.

Recommendation: OSAI recommends the District design and implement policies and procedures to ensure that timesheets are signed by the employee and the Director. Additionally, the Director’s timesheet should be reviewed and approved by someone other than the Director, and timesheets are completed for administrative time worked.

Management Response:

Chairman of the Board: A spreadsheet will be utilized for logging all ambulance service runs and shifts worked by all employees. This spreadsheet will be used by the accounting office to document and calculate the monthly compensation of all employees. The Director and/or Coordinator will sign employee spreadsheets. When employees receive payroll checks, they will sign the spreadsheet as receipt of receiving compensation for all shifts worked and ambulance service runs for the month. The Director and employees will keep a calendar of all time worked for the District throughout the month that is relevant to the work compensated.

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.

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S·A·I
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