



VICI-CAMARGO EMERGENCY MEDICAL SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2018

Cindy Byrd, CPA
State Auditor & Inspector

**VICI-CAMARGO EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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Cindy Byrd, CPA | State Auditor & Inspector

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August 26, 2019

**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, 2018.

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 2018

	<u>General</u>	<u>Sales Tax Revolving Fund</u>
Beginning Cash Balance, July 1	\$ 182,488	\$ 43,843
Collections		
Ad Valorem Tax	52,560	-
Sales Tax Reimbursement	12,758	-
Sales Tax Apportioned	-	99,267
Charges for Services	49,696	-
Miscellaneous	6,314	184
Total Collections	<u>121,328</u>	<u>99,451</u>
Disbursements		
Personal Services	78,889	-
Maintenance and Operations	62,867	-
Capital Outlay	12,758	-
Sales Tax Allocation	-	12,758
Audit Expense	1,690	-
Total Disbursements	<u>156,203</u>	<u>12,758</u>
Ending Cash Balance, June 30	<u>\$ 147,613</u>	<u>\$ 130,536</u>

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

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Sales Tax

Dewey County voters passed a three-quarters (.75) of one (1) 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.

The District was reimbursed \$12,758 by the DCPFA Board during the fiscal year ending June 30, 2018 for the purchase of an automated ambulance cot.

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 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 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.
- 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 FY 2018 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

July 8, 2019

**VICI-CAMARGO EMERGENCY MEDICAL SERVICE DISTRICT
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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2018-001 – Internal Controls Over the Collections Process (Repeat Finding)

Condition: While gaining an understanding of the receipting, depositing, and reconciling functions of the Vici-Camargo Emergency Medical Service District (the District), it was noted that the following duties were not properly segregated:

- One employee picked up the mail, opened the mail, posted payments to patient accounts, prepared the deposit, took the deposit to the bank, and prepared bank reconciliations.
- Bank deposits were not reviewed and approved by someone other than the preparer.
- Prenumbered, duplicate receipts were not issued for funds received.

Cause of Condition: Policies and procedures have not been designed and implemented to sufficiently segregate the collections process. Additionally, policies and procedures have not been designed and implemented to ensure receipts are issued for all funds received.

Effect of Condition: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions including absence of issuance of prenumbered duplicate receipts could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

Recommendation: The Oklahoma State Auditor and Inspector's Office (OSAI) recommends management be aware of these conditions and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management's oversight of office operations and a periodic review of operations. OSAI recommends management provide segregation of duties so that no one employee is able to perform all accounting functions. In the event that 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. Compensating controls would include separating key processes and/or critical functions of the office. Additionally, OSAI recommends prenumbered, duplicate receipts be issued for all funds received.

Management Response:

Board Chairman: We have hired an additional employee to help with the segregation of the collection duties. The Board will continue to implement oversight regarding the collection process. Additionally, the Board will implement the use of prenumbered, duplicate receipts for all collections.

Criteria: Accountability and stewardship are overall goals of management in accounting of funds. Internal controls over safeguarding of assets constitute a process, affected by an entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from misappropriation. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording, depositing cash and checks, and reconciliations should be segregated; additionally, prenumbered, duplicate receipts should be issued for all funds received.

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Finding 2018-002 - Internal Controls Over the Disbursement Process (Repeat Finding)

Condition: Based upon inquiry of the District Director and observation of the disbursement process, the following exceptions were noted concerning the test work conducted of (30) thirty disbursements.

- Three (3) disbursements for travel reimbursement, did not have adequate supporting documentation attached to the purchase order.
- Twenty-two (22) disbursements tested did not have evidence of a verification of accuracy of goods and/or services received.

Cause of Condition: Policies and procedures have not been designed to ensure all purchase orders are filed with adequate supporting documentation for recordkeeping and evidence of verification of accuracy of goods and/or services received.

Effect of Condition: These conditions could result in errors and improprieties, unrecorded transactions, misappropriation of assets, or misstated financial information.

Recommendation: OSAI recommends the District implement a system of internal controls to ensure adequate supporting documentation is attached to all purchase orders and all invoices have evidence of a verification of goods and/or services being received.

Management Response:

Board Chairman: The Board will implement a policy regarding the verification of goods and/or services received prior to the Board's approval of the invoice for payment. Travel reimbursements will be supported with signed receipts and documentation of the purpose of the travel related expense such as agendas and registration for classes attended prior to the Board's approval of the reimbursement.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. Effective internal controls are essential to provide reasonable assurance about the achievement of the entity's objectives with the regard to reliability of financial reporting, providing adequate supporting documentation to support purchases and evidence of independent verification of goods and/or services.

Finding 2018-003 – Internal Controls Over Fixed Assets Inventory Records (Repeat Finding)

Condition: Based on inquiry of the District Board Chairman, observation of fixed assets, and review of the District's fixed assets inventory records, the following exceptions were noted:

- An updated fixed assets inventory listing of complete and accurate descriptions and identification of fixed assets was not maintained.
- An annual physical fixed assets inventory verification was not performed.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure fixed assets inventory records are properly maintained and updated through a periodic review by the District.

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Effect of Condition: These conditions resulted in inadequate fixed assets inventory records and could lead to misappropriation of assets and loss of District property.

Recommendation: OSAI recommends that policies and procedures be designed and implemented to ensure fixed assets inventory records are properly maintained, and an annual physical inventory verification be performed by someone other than the individual maintaining fixed assets inventory records.

Management Response:

Board Chairman: The Board has implemented fixed assets inventory controls for fiscal year 2019 and will conduct annual fixed assets inventory verifications for future audits. The fixed assets inventory listing will be updated to include complete identification of fixed assets.

Criteria: An important aspect of internal controls is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process, affected by the entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets and safeguarding assets from loss, damage, or misappropriation.

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