



YALE EMERGENCY MEDICAL SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2017

Cindy Byrd, CPA
State Auditor & Inspector

**YALE EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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Cindy Byrd, CPA | State Auditor & Inspector

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

July 8, 2019

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

Transmitted herewith is the audit report of Yale Emergency Medical Service District for the fiscal year ended June 30, 2017.

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



**YALE EMERGENCY MEDICAL SERVICE DISTRICT
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Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2017

	<u>FY 2017</u>
Beginning Cash Balance, July 1	<u>\$ 50,713</u>
Collections	
Ad Valorem Tax	60,190
Miscellaneous	<u>278</u>
Total Collections	<u>60,468</u>
Disbursements	
Service Provider Contract	10,000
Maintenance and Operations	25,840
Audit Expense	<u>3,933</u>
Total Disbursements	<u>39,773</u>
Ending Cash Balance, June 30	<u><u>\$ 71,408</u></u>

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

Yale Emergency Medical Service District
209 N. Main Street
Yale, Oklahoma 74085

**TO THE BOARD OF DIRECTORS OF THE
YALE 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 2017 were accurately presented on the estimate of needs.

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

January 29, 2019

**YALE EMERGENCY MEDICAL SERVICE DISTRICT
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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2017-002 - Internal Controls Over the Receipting, Depositing, Reconciling and Disbursement Processes (Repeat Finding)

Condition: Based on inquiry of Yale Emergency Medical Service District (the District) of the receipting, depositing, reconciling, and disbursement processes, a lack of segregation of duties exists in that the Secretary Treasurer of the District Board performs the following duties:

- The Secretary Treasurer received and deposited all funds in the bank account.
- The Secretary Treasurer also prepared bank reconciliations without evidence someone other than the preparer reviewed them for accuracy.
- The Secretary Treasurer may purchase goods and/or services and receive those same goods and/or services.

Cause of Condition: The District has not designed and implemented policies and procedures to sufficiently segregate the receipting, depositing and reconciling process. In addition, the District has not designed and implemented policies to segregate the purchase and receipt of goods and/or services.

Effect of Condition: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: The Oklahoma State Auditor and Inspector's Office (OSAI) recommends the District Board 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 the Board's oversight of office operations and a periodic review of operations. OSAI recommends management provide segregation of duties so that no one employee can perform all accounting functions. If 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, and having the Board review and approve accounting functions, including monthly bank reconciliations, and approval of disbursement documents.

Further, OSAI recommends evidence of the Board's review process be clearly documented for all bank reconciliations, to provide a mitigating control over the lack of segregation of duties over the receipting, depositing, reconciling process, and the purchase and receipt of goods and/or services.

Management Response:

Chairman of the Board: To address the segregation of duties issues, the District Board has appointed a Secretary to the Board at the February 2019 meeting. The District Board believes appointing a Secretary and a Treasurer should strengthen the segregation of duties within the receipting, depositing and reconciling processes and the purchasing and receiving of goods and/or services. The District Board now approves the bank reconciliations in Board meetings.

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Criteria: Accountability and stewardship are overall goals of management in the 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 and depositing should be segregated. Bank reconciliations should be performed monthly and approved by someone other than the preparer and include an indication of review. The process of purchasing goods and/or services should be separated from the receiving of goods and/or services.

Finding 2017-004 - Internal Controls Over the Fixed Assets Inventory Process (Repeat Finding)

Condition: Based on inquiry and observation of the District fixed assets inventory process, the following weakness was noted:

- There was no indication that an annual inventory of fixed assets was performed.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure fixed assets inventory is properly updated and physically verified annually by the District.

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

Recommendation: OSAI recommends the District design and implement policies and procedures to ensure fixed assets inventory is updated on an ongoing basis. Furthermore, OSAI recommends physical inventory verification, by someone other than the individual in charge of fixed assets inventory, be completed and documented annually to verify fixed assets inventory on hand.

Management Response:

Chairman of the Board: The Yale EMS Director, updates the inventory on a regular basis; however, he was not available to present the Fixed Assets Report to the Board.

Auditor Response: OSAI recommends the District provide evidence of an annual fixed assets inventory listing verification.

Criteria: An important aspect of internal control 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 untimely detection of unauthorized acquisition, use, or disposition of the entity's assets and safeguarding assets from loss, damage, or misappropriation.

O·K·L·A·H·O·M·A
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STATE AUDITOR & INSPECTOR



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