



YALE EMERGENCY MEDICAL SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2022

Cindy Byrd, CPA
State Auditor & Inspector

**YALE EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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OKLAHOMA
Office of the State Auditor & Inspector

Cindy Byrd, CPA | State Auditor & Inspector

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February 7, 2025

**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, 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,

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



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 charges for services were billed and collected in accordance with District Policies.
- Determined collections 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 all purchases requiring bids complied with 19 O.S. § 1723 and 61 O.S. §101-139.
- 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 compliance with contract service providers.
- 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 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.

A handwritten signature in blue ink that reads "Cindy Byrd". The signature is written in a cursive, flowing style.

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

October 7, 2024

**YALE EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2022-002 – Lack of Internal Controls and Noncompliance Over the Accounting Process

Condition: Upon inquiry of the Yale EMS (the District) Director and Board members, and observation of the accounting process, the following weaknesses were noted:

- Monthly bank reconciliations were not prepared.
- The District did not reconcile the monthly financial statement to the bank statement.
- The District did not prepare a June 30, 2022, financial statement reflecting the cumulative totals with documentation of the Board’s review and approval.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure accurate monthly bank reconciliations are performed and evidence of review and approval by Board are maintained. Additionally, policies and procedures have not been designed and implemented to ensure a financial statement is prepared and reviewed by the Board.

Effect of Condition: These conditions resulted in noncompliance with state statute regarding completion of June 30 financial statement. Further, these conditions could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds.

Recommendation: The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends the District design and implement policies and procedures for bank reconciliations to be performed monthly, signed and dated by both the preparer and the reviewer and evidence of Board review and approval be maintained.

Additionally, OSAI recommends policies and procedures be designed and implemented to ensure a financial statement is prepared and reviewed by the Board in accordance with 19 O.S. § 1706.

Management Response:

Chairman of the Board: We are in the process of designing and implementing policies and procedures over the accounting process and have a new Treasurer.

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.

**YALE EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 – 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. Some entities may set objectives to a higher level of performance than established by laws and regulations. In setting those objectives, management is able to exercise discretion relative to the performance of the entity.

Title 19 O.S. § 1706 states in part, “It shall be the duty of the board of the ...to produce or cause to be produced and forward to the State Auditor and Inspector a financial statement of the district for the preceding year ending June 30th.”

Finding 2022-003 – Lack of Internal Controls Over the Disbursement Process

Condition: Upon inquiry of the District’s Director, Board members, and observation of the disbursement processes, the following weaknesses were noted:

The District did not have an adequate segregation of duties to ensure that duties assigned to individuals are performed in a manner that would not allow one individual to control both the recording function and the procedures relative to processing a transaction.

- The Office Manager performs the following duties:
 - Maintains the blank checks.
 - Writes the checks.
 - Is an authorized check signer.

**YALE EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

- Receives the bank statements.
- Prepares the Monthly Treasurer's report.

Additionally, our test of tested thirty (30) disbursements, noted the following:

- Supporting documentation for two (2) could not be located.
- Fifteen (15) did not provide a signature to verify the accuracy of the invoice.

Cause of Condition: Policies and procedures have not been designed and implemented to sufficiently segregate the responsibilities of the disbursement process. Additionally, policies and procedures have not been implemented to ensure all disbursements, are supported by adequate documentation and have evidence of receiving verification.

Effect of Condition: A single person that has responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions 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 Board be aware of these conditions and realize that a 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 the Board 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. Additionally, policies and procedures should be designed and implemented to ensure all disbursements, supported by adequate documentation and have evidence of receiving verification.

Management Response:

Chairman of the Board: We will write policies and procedures for the disbursement process and clearly identify the individual that performs the following duties:

1. Initiates the transaction.
2. Processes the transaction.
3. Records the transaction on the District Ledger.
4. Verifies Accuracy of the transaction.
5. Controls access to the District's Board records.

Additionally, we will require two signatures on checks and all Board member review bank statement and sign statements. There will be a form for responder payouts and Operations Manager payouts. The new Treasurer is on top of all these findings.

**YALE EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

Segregation of duties

Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.

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 2022-005 – Lack of Internal Controls and Noncompliance Over the Estimate of Needs and Financial Statement

Condition: Upon inquiry of District Board members and staff about the 2022-2023 Estimate of Needs and Financial Statement for the year 2021-2022, it was noted that the District did not prepare an Estimate of Needs for fiscal year 2022-2023.

Cause of Condition: Policies and procedures have not been designed and implemented regarding the preparation and approval of an Estimate of Needs and Financial Statement.

Effect of Condition: These conditions resulted in noncompliance with state statute.

Recommendation: OSAI recommends that the District Board design and implement policies and procedures, to prepare their Estimate of Needs prior to October 1st of each year.

Management Response:

Chairman of the Board: We have a new Treasurer, and the Estimate of Needs will be done by our accountants, yearly. All reports are now being filed.

Criteria: 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.

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STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The GAO Standards – Principle 13 – Use Quality Information – 13.04 states the following:

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.

Title 19 O.S. § 1709 states in part,

- A. “The budget for each fund shall contain a budget summary. It shall also be accompanied by a budget message from the board which shall explain the budget and describe its important features.
- B. The estimate of revenues in each fund for any budget year shall include probable income by source which the district is legally empowered to collect or receive at the time the budgets are adopted. The estimate shall be based upon a review and analysis of past and anticipated revenues of the district. Any portion of the budget of revenues to be derived from ad valorem property taxation shall not exceed the estimated amount of tax which is available for appropriation or which can or must be raised as required by law. The budget of expenditures for each fund shall not exceed the estimated revenues for each fund. No more than ten percent (10%) of the total budget for any fund may be budgeted for miscellaneous purposes.
- C. The board shall determine the needs of the district for sinking fund purposes, pursuant to Section 9C of Article X of the Constitution of the State of Oklahoma and include these requirements in the debt service fund budget for the budget year.”



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