



YALE EMERGENCY MEDICAL SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2019

Cindy Byrd, CPA
State Auditor & Inspector

**YALE EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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Cindy Byrd, CPA | State Auditor & Inspector

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June 22, 2020

**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, 2019.

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". The signature is fluid and cursive, written in a professional style.

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 2019

	<u>FY 2019</u>
Beginning Cash Balance, July 1	\$ 64,293
Less: Restatement of prior year outstanding checks	<u>(10,500)</u>
Restated Beginning Cash Balance, July 1	<u>53,793</u>
Collections	
Ad Valorem Tax	<u>60,212</u>
Total Collections	<u>60,212</u>
Disbursements	
Contracted Services - City of Cushing	10,000
Maintenance and Operations	<u>32,193</u>
Total Disbursements	<u>42,193</u>
Ending Cash Balance, June 30	<u>\$ 71,812</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 charges for services were billed and collected in accordance with District Policies.
- 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 for the fiscal year ended June 30, 2019 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 and 61 O.S. §101-139.
- 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 compliance with contract service providers.
- Determined whether the District's collections, disbursements, and cash balances for the fiscal year ended June 30, 2019 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

February 12, 2020

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

Finding 2019-003 – Internal Controls and Noncompliance Over Officials’ Fidelity Bonds and Insurance

Condition: Upon inquiry of the Yale Emergency Medical Service District (the District), the following weakness was noted regarding Board members’ fidelity bonds:

- Bond insurance for the Board members was not maintained as required by Article 10 § 9C (a) of the Oklahoma Constitution.
- The District did not maintain workers compensation insurance for paid volunteers of the District.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure Board members are insured, as required by Article 10 § 9C (a) and workers compensation insurance for paid volunteers.

Effect of Condition: These conditions resulted in noncompliance with the Oklahoma Constitution and could result in loss of funds or possible lawsuits.

Recommendation: The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends policies and procedures be designed and implemented to ensure compliance with Article 10 § 9C (a) of the Oklahoma Constitution, ensuring all Board members and paid volunteers are adequately insured. OSAI further recommends that workers compensation insurance policies be renewed and maintained.

Management Response:

Chairman of the Board: The Board has obtained and filed an official fidelity bond with the Payne County Clerk to bond our five (5) Board members and renewed the workers compensation insurance for paid volunteers.

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 – 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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Further, GAO Standards – Principle 6 – Defined Objectives and Risk Tolerances - 6.05 states:

Definitions of Objectives

Management considers external requirements and internal expectations when defining objectives to enable the design of internal control. Legislators, regulators, and standard-setting bodies set external requirements by establishing the laws, regulations, and standards with which the entity is required to comply. Management identifies, understands, and incorporates these requirements into the entity’s objectives. Management sets internal expectations and requirements through the established standards of conduct, oversight structure, organizational structure, and expectations of competence as part of the control environment.

The Oklahoma Constitution Article 10 § 9C (a) of the Constitution of the State of Oklahoma states in part:

“...Such boards of trustees shall have the power and duty to promulgate and adopt such rules, procedures and contract provisions necessary to carry out the purposes and objectives of these provision, and shall individual post such bond as required by the county commissioner, which shall not be less than Ten Thousand Dollars (\$10,000.00).”

Finding 2019-007 – Internal Controls Over Fixed Assets Inventory (Repeat Finding)

Condition: Upon inquiry and observation of the fixed assets inventory process, the following weaknesses were noted:

- District Board minutes did not indicate the fixed assets inventory list was reviewed and approved as verified.
- The District did not have formal policies or procedures in place to provide guidelines for fixed assets inventory verification.
- The review of Board minutes and the physical verification of fixed assets inventory reflected four (4) items were physically located; however, these items were not on the master inventory list:
 - Two (2) defibrillators were physically verified.
 - One (1) mobile radio was physically verified in the Ambulance Unit-EMS1.
 - One (1) mobile stretcher was physically verified in Ambulance Unit-EMS2.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure fixed assets inventory is properly accounted for, maintained, updated, and verified regularly by the District.

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

Recommendation: OSAI recommends policies and procedures be designed and implemented to ensure fixed assets inventory is being updated on an ongoing basis. Additionally, OSAI recommends physical inventory verification be completed, documented, and approved annually to verify inventory on hand.

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Management Response:

Chairman of the Board: The Board will design and implement policies and procedures to maintain and verify fixed assets. The two defibrillators, one mobile radio located in the Ambulance Unit-EMS1 and one mobile stretcher located in the Ambulance Unit-EMS2 were added to the fixed assets inventory list.

Criteria: The GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.24 states in part:

Safeguarding Assets

Management designs an internal control system to provide reasonable assurance regarding prevention or prompt detection and correction of unauthorized acquisition, use, or disposition of an entity's assets.

Additionally, Principle 10 – Design Control Activities – Section 10.03 states in part:

Physical control over vulnerable assets

Management establishes physical control to secure and safeguard vulnerable assets. Examples include security for and limited access to assets such as cash, securities, inventories, and equipment that might be vulnerable to risk of loss or unauthorized use. Management periodically counts and compares such assets to control records.

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