



BRYAN COUNTY AMBULANCE AUTHORITY

Statutory Report

For the fiscal year ended June 30, 2021

Cindy Byrd, CPA
State Auditor & Inspector

**BRYAN COUNTY AMBULANCE AUTHORITY
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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OKLAHOMA
Office of the 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

July 17, 2023

**TO THE BOARD OF DIRECTORS OF THE
BRYAN COUNTY AMBULANCE AUTHORITY**

Transmitted herewith is the audit report of Bryan County Ambulance Authority for the fiscal year ended June 30, 2021.

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

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Presentation of Collections, Disbursements, and Cash Balances of Authority Funds for FY 2021

	<u>General Fund</u>
Beginning Cash Balance, July 1	\$ 1,192,153
Collections	
Ad Valorem Tax	1,285,728
Charges for Services	1,253,161
Subscriptions	10,908
OKAMA Grant	45,327
Interest	4,573
Miscellaneous Revenues	338,263
Bryan County Donation	280,000
Total Collections	<u>3,217,960</u>
Disbursements	
Personal Services	2,096,277
Maintenance and Operations	557,651
Capital Outlay	175,382
Audit Expense	40,857
Total Disbursements	<u>2,870,167</u>
Ending Cash Balance, June 30	<u>\$ 1,539,946</u>

Presented for informational purposes.

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

Coronavirus Relief Fund (CRF) – CARES Act – Money distributed to the State of Oklahoma to provide direct federal assistance to state governments, with consideration for local governments. The State of Oklahoma allocated \$5 million of CRF to the Oklahoma Ambulance Association (OKAMA) to distribute to licensed ambulance services across the state. The funds were to be used to reimburse ambulance services for unanticipated expenses in staffing, personal protective equipment (PPE), medical supplies, and lost insurance coverage due to COVID-19. The Authority received \$45,327 for the fiscal year.



Bryan County Ambulance Authority
306 South 22nd Ave
Durant, Oklahoma 74071

**TO THE BOARD OF DIRECTORS OF THE
BRYAN COUNTY AMBULANCE AUTHORITY**

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 Authority 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, 2021 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 Authority's collections, disbursements, and cash balances for the fiscal year ended June 30, 2021 were accurately presented on the estimate of needs.

All information included in the records of the Authority is the representation of the Bryan County Ambulance Authority.

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 Bryan County Ambulance Authority.

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 Bryan County Ambulance Authority. 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

April 6, 2023

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2021-003 – Lack of Internal Controls Over the Payroll Process (Including Timesheets and Leave Reports) (Repeat Finding)

Condition: Upon inquiry, observation, and a review of thirty-one (31) employee timesheets, the following weaknesses were noted:

- Twenty-nine (29) timesheets were not approved and signed by a Supervisor or Director
- Six (6) timesheets were not signed by the employee.

Additionally, upon inquiry, observation, and review of employee leave balances, the following exceptions were noted:

- Paid time off (PTO) used by the Director, Assistant Director and Office Manager could not be verified due to leave taken not being reported on timesheets.
- Four (4) of the employees tested had a negative leave balance at the end of the selected payroll period in violation of the Board's leave policy regarding use of leave hours in excess of the hours accrued for each pay period.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure accuracy that all employees' timesheets have been verified by the employee and approved and signed by a Supervisor or Director. Additionally, Policies and procedures have not been completely designed and implemented to ensure that PTO is accurately tracked for all employees within the payroll system.

Effect of Condition: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, misappropriation of funds, and incorrect payment of wage and leave benefits.

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends the Board ensure that employee timesheets are reviewed and signed by the employee and an appropriate Supervisor or Director. Additionally, OSAI recommends the Board ensure that PTO leave is monitored and reviewed periodically to ensure accuracy and avoid negative leave balances.

Management Response:

Chairman of the Board: As discussed, and with the information provided to the State Auditor, in our meeting on April 6, 2023, every two weeks the Supervisors will review all the timesheets to make sure they were all signed by the employee and a Supervisor.

The HR Director will maintain a spreadsheet to track salaried employees' PTO and post it on software (iDepartment) so that the total PTO time can be tracked by the employee.

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The Board will approve the starting balance of this PTO for the salaried positions. The leave balance was an error switching between software companies that were caught and fixed and no PTO was paid out in any amount over the actual accrued time.

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 2021-004 – Lack of Internal Controls Over Fixed Assets Inventory Records (Repeat Finding)

Condition: Upon inquiry, observation, and review of the of the Authority’s fixed assets inventory records, the following weaknesses were noted:

- The Authority has not established a dollar threshold for the inventory of fixed assets.
- The fixed assets inventory list did not reflect the cost of all items.
- Evidence of an annual physical inspection of all fixed assets could not be located.

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

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

Recommendation: OSAI recommends the Authority implement policies and procedures to establish a dollar threshold and ensure the cost of the item is reflected when reporting fixed assets, to accurately maintain fixed assets inventory records. Additionally, an annual physical verification of assets should be performed and documented by the reviewer and approved by the Board.

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Management Response:

Chairman of the Board: As discussed, and with the information provided to the State Auditor, in our meeting on April 6, 2023, an inventory Policy will be adopted in a Regular board meeting on April 18, 2023.

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

Segregation of Duties

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.

Additionally, The GAO Standards Section 2 – Establishing an Effective Internal Control System - OV2.24 states:

Safeguarding of 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

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