



BRYAN COUNTY AMBULANCE AUTHORITY

Statutory Report

For the fiscal year ended June 30, 2022

Cindy Byrd, CPA
State Auditor & Inspector

**BRYAN COUNTY AMBULANCE AUTHORITY
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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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, 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,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

**BRYAN COUNTY AMBULANCE AUTHORITY
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Presentation of Collections, Disbursements, and Cash Balances of Authority Funds for FY 2022

| | General Fund |
|---|-------------------------|
| Beginning Cash Balance, July 1 | \$ 1,539,946 |
| Collections | |
| Ad Valorem Tax, Estimated | 1,370,000 |
| Charges for Services, Estimated | 1,529,000 |
| Subscriptions | 9,828 |
| Provider Relief Funds - Phase 4 | 33,909 |
| American Rescue Plan Rural Payments | 72,218 |
| Interest | 669 |
| Miscellaneous Revenues | 271,040 |
| Total Collections | 3,286,664 |
| Disbursements | |
| Personal Services | 2,010,913 |
| Maintenance and Operations | 886,569 |
| Capital Outlay | 269,795 |
| Audit Expense | 18,333 |
| Total Disbursements | 3,185,610 |
| Ending Estimate of Needs Balance, June 30 | \$ 1,641,000 |
| Reconciling Items | |
| Unrecorded Outstanding Checks | 28,009 |
| Variance due to Estimated Revenues | 29,146 |
| Reconciled Cash Balance, June 30 | \$ 1,698,155 |

Presented for informational purposes.

**BRYAN COUNTY AMBULANCE AUTHORITY
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Presentation of Collections, Disbursements, and Cash Balances of Authority Funds for FY 2022

The accounting records, Estimate of Needs and the Financial Statement for fiscal year 2022 for the Bryan County Ambulance Authority did not present the Authority funds in the prescribed format and the amounts presented for revenue was estimated which resulted in a variance of \$29,146. Further, outstanding checks on June 30, 2022, were not accounted for in the prescribed format. Those variances are noted as reconciling items for the Presentation of Collections, Disbursements, and Cash Balances of Authority funds.

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

Provider Relief Funds Phase 4 – CARES Act – money distributed to healthcare providers who bill Medicare fee-for-service for healthcare related expenses and lost revenues due to the coronavirus (COVID19) pandemic. Funds were distributed by the Department of Health and Human Services (HHS) through the Health Resources and Service Administration (HRSA). The Authority received \$33,909 for fiscal year.

American Rescue Plan Act (ARPA)

ARP Rural – ARPA – money distributed to healthcare providers located in rural areas who bill Medicare fee-for-service to help address the disproportionate impact that the coronavirus (COVID-19) pandemic had on rural communities and rural health care providers. Funds were distributed by the Department of Health Resources and Services Administration (HRSA). The Authority received \$72,218 for 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, 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 whether the Authority'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 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

**BRYAN COUNTY AMBULANCE AUTHORITY
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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2022-001 – Lack of Internal Controls and Noncompliance Over the Estimate of Needs and Financial Statement

Condition: Upon inquiry of the Bryan County Ambulance Authority (the Authority) staff and observation of the 2022-2023 Estimate of Needs and Financial Statement for the fiscal year 2021-2022, we noted the following:

- The information related to the Authority’s cash receipts and disbursements was not presented in conformity with the approved format for Emergency Medical Service Districts.
- The financial statement was prepared by a contracted accounting service; however projected actual revenues reported rather than actual revenues. The variance as noted on the financial statement was \$29,146.
- Further, outstanding checks were not recorded in the amount as \$28,009.

Cause of Condition: Policies and procedures have not been designed and implemented regarding the preparation and approval of complete and accurate financial information as reported on the Estimate of Needs and financial statement.

Effect of Condition: These conditions resulted in noncompliance with state statutes and an incomplete and incorrect Estimate of Needs and financial statement being approved by the Authority Board.

Recommendation: The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends management review the Estimate of Needs and financial statement prior to submitting it to the Authority Board for approval to ensure that financial information is complete and accurately presented in the format described by 19 O.S. § 1702 and 1709 as prescribed by the State Auditor in Title 19 O.S. § 1722.

Management Response:

Chairman of the Board: As discussed, and with the information provided to the State Auditor, in our Meeting on April 6, 2023, we discussed ways to avoid duplicate reporting and use another CPA that works with governmental agencies more regularly.

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.

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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.

The GAO Standards - Principle 13.04 -Use Quality Information states in part:

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. § 1702 states “The purpose of this act is to provide a budget procedure for emergency medical service districts which shall:

1. Establish uniform and sound fiscal procedures for the preparation, adoption, execution and control of budgets.
2. Enable districts to make financial plans for both current and capital expenditures and to ensure that their directors administer their respective functions in accordance with adopted budgets.
3. Make available to the public and investors sufficient information as to the financial conditions, requirements and expectations of the district; and
4. Assist districts to improve and implement generally accepted accounting principles as applied to governmental accounting, auditing and financial reporting and standards of governmental finance management.”

Additionally, Title 19 O.S. § 1709 states in part,

“A. ...The budget format shall be as prescribed by the State Auditor and Inspector. The format shall contain at least the following in tabular form for each fund, itemized by department and account within each fund:

1. Actual revenues and expenditures for the immediate prior fiscal year.
2. Estimated actual revenues and expenditures for the current fiscal year; and
3. Estimated revenues and expenditures for the budget year.

B. 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.

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D. 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.”

Further, Title 19 O.S. § 1722 states “For the purpose of carrying into effect the provisions of this act, and for its proper administration, the State Auditor and Inspector is hereby empowered to promulgate and enforce such rules and regulations as may be necessary but not inconsistent herewith, and he shall prescribe all the forms of whatsoever nature referred to in this act including but not necessarily limited to budget forms, supporting schedule forms and all other accounting stationery required, desired or needed under the provisions of this act.”

Finding 2022-004 – Lack of Internal Controls Over the Payroll Process (Including Timesheets and Leave Reports) (Repeat Finding)

Condition: Upon inquiry, observation, and a review of twenty-seven (27) employee timesheets, the following weaknesses were noted:

- Twenty-six (26) timesheets were not approved and signed by a Supervisor or Director.
- One (1) timesheet was 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.
- Two (2) employees tested had leave balances that did not agree to the Board’s policies. One error was due to an incorrect time entry in the leave software that has since been corrected, and the other error was due to using an accrual rate designated for the incorrect job classification.

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: 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.

**BRYAN COUNTY AMBULANCE AUTHORITY
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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, 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.

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 2022-005 – 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.

Upon the physical verification of twenty-two (22) fixed asset items, including twelve (12) Medic Vehicles, the following exceptions were noted:

- One (1) stair chair could not be located.
- One (1) portable suction unit could not be located.

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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.

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, and the fixed asset inventory will be updated to reflect the corrections to inventory records.

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.

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



Cindy Byrd, CPA | State Auditor & Inspector

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