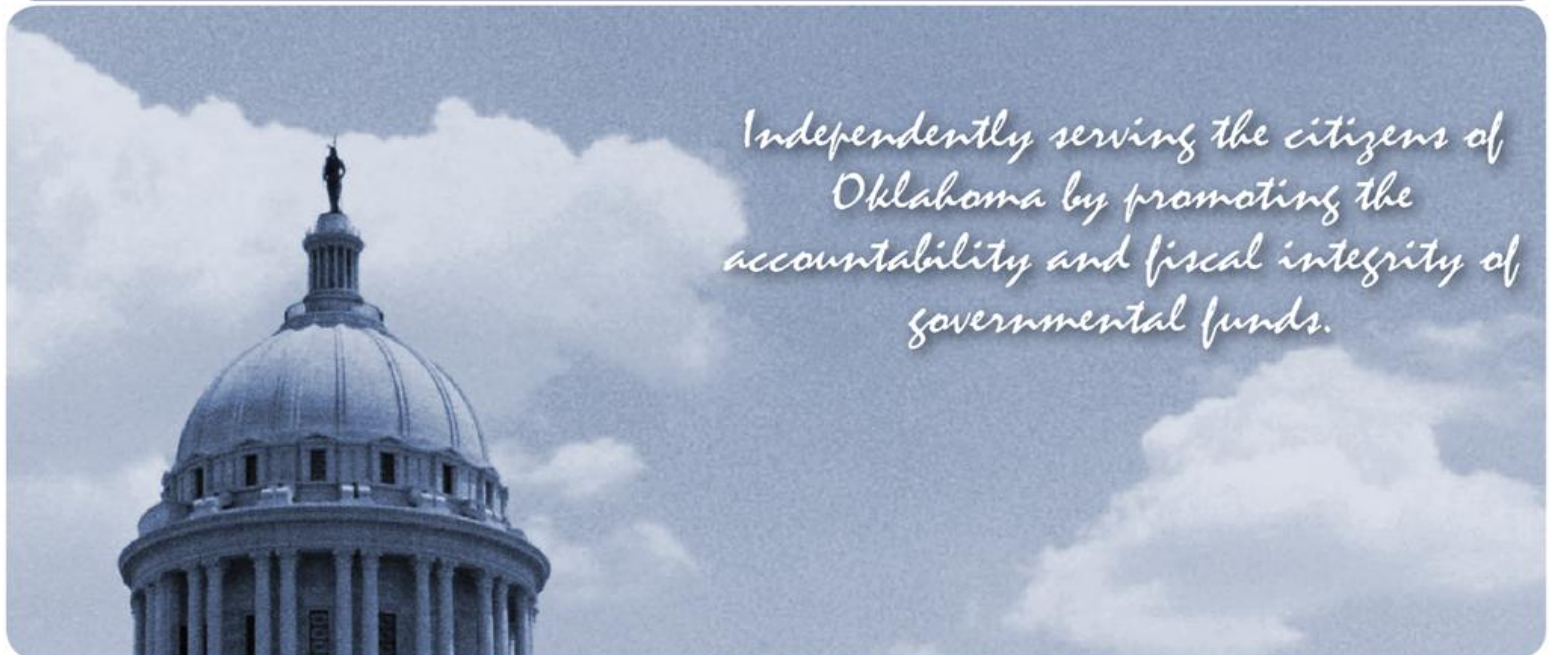


STATUTORY REPORT

GRADY EMERGENCY MEDICAL SERVICE DISTRICT

For the fiscal year ended June 30, 2016



*Independently serving the citizens of
Oklahoma by promoting the
accountability and fiscal integrity of
governmental funds.*



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

**GRADY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 19 O.S. § 1706.1, has not been printed, but is available on the agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

May 12, 2017

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

Transmitted herewith is the audit report of Grady Emergency Medical Service District for the fiscal year ended June 30, 2016.

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,

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

**GRADY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2016

| | <u>FY 2016</u> |
|--------------------------------|-------------------|
| Beginning Cash Balance, July 1 | \$ 440,358 |
| Collections | |
| Ad Valorem Tax | 1,252,605 |
| Miscellaneous | 4,698 |
| Total Collections | <u>1,257,303</u> |
| Disbursements | |
| Personnel Services | 62,134 |
| Maintenance and Operations | 70,075 |
| Capital Outlay | 195,566 |
| Provider Contracts | 757,098 |
| Audit Expense | 3,879 |
| Total Disbursements | <u>1,088,752</u> |
| Ending Cash Balance, June 30 | <u>\$ 608,909</u> |

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



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Grady Emergency Medical Service District
2221 West Iowa Ave., Suite B
Chickasha, Oklahoma 73018

TO THE BOARD OF DIRECTORS OF THE GRADY 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 2016 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Grady 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 Grady 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 Grady 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 "Gary A. Jones". The signature is written in a cursive style with a long horizontal stroke at the end.

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

April 17, 2017

**GRADY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2016-3 - Inadequate Internal Controls and Noncompliance Over the Bid Process

Condition: The District contracts with the City of Tuttle to provide service. As part of the contractual agreement, we noted that the District provided an additional \$117,648.42 to the City of Tuttle to purchase an ambulance. This purchase was bid by the City of Tuttle. However, the review of documentation reflected that documentation of the approval of the purchase of an ambulance was not provided in the District Board minutes.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure documentation is maintained for the bid process and purchase of the ambulance by the Contractor.

Effect of Condition: This condition resulted in noncompliance with state statute and could result in errors and improprieties, unrecorded transactions, or misappropriation of assets.

Recommendation: The Oklahoma State Auditor & Inspector's Office recommends that policies and procedures be implemented to ensure the bid process is documented and to ensure compliance with 19 O.S. § 1723.

Management Response:

Chairman: Policies and procedures will be designed and implemented to ensure documentation is maintained for the bid process and purchase of the ambulance by the Contractor.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. Effective internal controls are essential to provide reasonable assurance about the achievement of the entity's objectives with regard to reliability of financial reporting and compliance with applicable laws and regulations. Effective internal controls would include documenting evidence of the bid process.

Further, 19 O.S. § 1723 requires Districts to make purchases in accordance with the county purchase procedures as outlined in 19 O.S. § 1501 and 1505, which requires all equipment purchases in excess of \$15,000 be competitively bid.

Title 19 O.S. §1501 (A) (3) (l) states in part,

- A. The county purchasing agent:
 - 3. Shall make purchases and rental or lease purchase agreements only after following the bidding procedures as provided for by law, except:
 - l. when considering the purchase of an item or items from the state bid list as provided by the Office of Management and Enterprise Services or the General Services Administration, if the same exact item is available from a local vendor at or below the price listed on the state bid list or the General Services Administration, the item may be obtained by the vendor.

**GRADY EMERGENCY MEDICAL SERVICE DISTRICT
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Title 19 O.S. §1505 (B) (4) states in part,

B. The bid procedure for selecting a vendor for the purchase, lease-purchase, or rental of supplies, materials, equipment and information technology and telecommunication goods and services used by a county shall be as follows:

4. The board of county commissioners, in an open meeting, shall open the sealed bids and compare them to the state contract price. The board of county commissioners shall select the lowest and best bid based upon, if applicable, the availability of material and transportation cost to the job site within thirty (30) days of the meeting. For any special item not included on the list of needed or commonly used items, the requisitioning official shall review the bids and submit a written recommendation to the board before final approval. The board of county commissioners shall keep a written record of the meeting as required by law, and any time the lowest bid was not considered to be the lowest and best bid, the reason for such conclusion shall be recorded.



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