

STATUTORY REPORT

GRADY COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

For the fiscal year ended June 30, 2017



*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, 2017**

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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 29, 2018

**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, 2017.

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 "Gary A. Jones". The signature is written in a cursive, flowing style.

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

**GRADY EMERGENCY MEDICAL SERVICE DISTRICT
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Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2017

	<u>FY 2017</u>
Beginning Cash Balance, July 1	<u>\$ 608,909</u>
Collections	
Ad Valorem Tax	1,367,711
Miscellaneous	<u>1,816</u>
Total Collections	<u>1,369,527</u>
Disbursements	
Personnel Services	63,922
Maintenance and Operations	66,725
Capital Outlay	35
Provider Contracts	1,475,530
Audit Expense	<u>4,527</u>
Total Disbursements	<u>1,610,739</u>
Ending Cash Balance, June 30	<u>\$ 367,697</u>

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



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Grady Emergency Medical Service District
2221 West Iowa Avenue, 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 2017 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 fluid and cursive, with the first name "Gary" being the most prominent.

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

March 22, 2018

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

Finding 2017-1 - Inadequate Internal Controls Over the Payroll Leave Balances

Condition: Upon inquiry of Grady Emergency Medical Service District (the District), observation of records and the test of the twelve (12) or 100% of the payroll and leave records submitted for the only employee of the District, the following weaknesses were noted:

- The negative ending leave balance fiscal year 2015-2016 was not corrected in the current fiscal year.
- The annual leave balance at the end of the fiscal year, June 30, 2017 reflected the employee had used 24 hours of leave in excess of the amount provided for the fiscal year, resulting in noncompliance with the District's policy and an overall negative leave annual leave balance of (35.5) hours.
- Annual and sick leave hours were not earned and accrued monthly, but were provided to the employee at the beginning of each fiscal year.
- The calculation of the annual leave balances per the April 2017 timesheet reflected 108.5 hours of annual leave accrued, while the balance as reported on the leave ledger was 132.5 hours resulting in 24 additional hours of accrued annual leave.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure annual and sick leave balances are maintained in accordance with the policies established by the District Board.

Effect of Condition: These conditions resulted in inaccurate recordkeeping, incorrect accrual of leave benefits, and could result in a financial deficit to the District.

Recommendation: The Oklahoma State Auditor and Inspector's Office recommends the District ensure that annual and sick leave is accrued prior to use and that the leave ledger depicts the beginning balance, ending balance, and any accrued or used leave hours for the employee. Additionally, the leave used per the leave ledger should be verified to the leave taken on the timesheet. OSAI also recommends the District develop written policies and ensure the employee complies with the policies established by the District Board and documented in the District Handbook.

Management Response:

Chairman: We will work to correct the negative leave balance in the current fiscal year. Policies and procedures will be put into place to ensure that leave is accrued and used according to District policies.

Criteria: Internal controls should be designed to analyze and check accuracy, completeness, and authorization of disbursements and/or transactions.

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An important aspect of internal control is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process, affected by the entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or untimely detection of unauthorized acquisition, use, or disposition of the entity's assets and safeguarding assets from loss, damage, or misappropriation. An example of proper internal controls is documented evidence that leave balances are reviewed for propriety and that leave should be accrued prior to being used to ensure policies and procedures are being adhered to by the employee.



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