

STATUTORY REPORT

WOODWARD COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

For the fiscal year ended June 30, 2015



*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

**WOODWARD COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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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

October 18, 2017

**TO THE BOARD OF DIRECTORS OF THE
WOODWARD COUNTY EMERGENCY MEDICAL SERVICE DISTRICT**

Transmitted herewith is the audit report of Woodward County Emergency Medical Service District for the fiscal year ended June 30, 2015.

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".

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

**WOODWARD COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
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Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2015

	<u>FY 2015</u>
Beginning Cash Balance, July 1	<u>\$ 2,623,749</u>
Collections	
Ad Valorem Tax	732,272
Charges for Services	764,348
Miscellaneous	148,364
Total Collections	<u>1,644,984</u>
Disbursements	
Personal Services	1,069,067
Travel	18,482
Maintenance and Operations	313,618
Capital Outlay	4,000
Building Fund	2,201,422
Total Disbursements	<u>3,606,589</u>
Ending Cash Balance, June 30	<u>\$ 662,144</u>

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



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Woodward County Emergency Medical Service District
1510 Downs Ave.
Woodward, Oklahoma 73801

TO THE BOARD OF DIRECTORS OF THE WOODWARD COUNTY 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 2015 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Woodward County 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 Woodward County 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 Woodward County 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

August 21, 2017

**WOODWARD COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2015 - 1 – Inadequate Internal Controls Over the Disbursements Process (Repeat Finding)

Condition: While gaining an understanding of the disbursements process of the Woodward County Emergency Medical Service (the District) and a review of forty (40) purchase orders, the following weaknesses were noted:

- Twenty (20) instances did not have evidence of verification of receipt of goods and or services.

Cause of Condition: The District has not designed and implemented policies and procedures to ensure all claims are filed with sufficient supporting documentation of verification of receipt of goods and or services.

Effect of Condition: This condition could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

Recommendation: The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends the District implement a system of internal controls to ensure that all disbursements have proper supporting documentation of receipt of goods or services.

Management Response:

Chairman of the Board: Management will make every effort to assure that receipt of goods and/or services are initialed and dated.

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 the reliability of financial reporting. In addition, key factors in this system are having supporting documentation maintained as evidence of goods and services being received.

Finding 2015-2 – Inadequate Internal Controls Over the Payroll and Leave Process (Repeat Finding)

Condition: Based upon inquiry of District staff, observation of the payroll and leave process and the last available vacation policy, and a test of one (1) month of payroll disbursements for twenty-eight (28) employees, the following internal control weaknesses were noted:

- Fourteen (14) instances were noted where an employee did not sign his or her timesheet.
- Nineteen (19) instances were noted where timesheets lacked evidence of supervisory review.
- Two (2) instances were noted where employees did not submit timesheets.
- Two (2) instances were noted where employees accrued a sick leave balance more than the maximum amount allowed as stated in the Employee Handbook.
- Three (3) instances were noted where an employee accrued sick leave monthly more than the allowable amount as stated in the Employee Handbook.

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- One employee did not prepare a timesheet.

Additionally, we noted a current vacation leave policy was not included in the current Employee Handbook.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure both employees and supervisors verify the accuracy of timesheets and to ensure all employees complete a timesheet to document compliance with the Employee Handbook.

Effect of Condition: These conditions could result in inaccurate recordkeeping and incorrect payroll disbursements and did result in inaccurate sick leave accrual.

Recommendation: OSAI recommends the District ensure all employees prepare a timesheet, and that each timesheet has evidence of an employee signature and approval of the supervisor for accuracy and completeness. Additionally, the Employee Handbook should include a vacation leave policy as approved by the Board. Further, OSAI recommends sick leave be accrued at rates in compliance with the sick leave policy as approved by the Board.

Management Response:

Chairman of the Board: Management will work to ensure the submission and signatures of timesheets for all employees. Additionally, management will work to ensure the sick leave policy is correctly enforced. Further, the Employee Handbook will be updated to include the vacation leave policy.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. Effective internal controls include key functions within a process to be monitored to allow for prevention and detection of errors and abuse. Internal controls should be designed to analyze and check accuracy, completeness, authorization of disbursements and/or transactions, including documentation of signed and approved timesheets for all employees and accuracy of sick leave. Additionally, the Employee Handbook should document the policy for vacation leave.

Further, The Employee Handbook states in part,

“12 hours of paid sick time will be accumulated per 1 month of full-time hours worked for EMT’s on shift work. 8 hours of paid sick time will be accumulated for office and dispatch employees... Sick hours can be accumulated up to a maximum of 664 hours for employees hired prior to April 1, 2013. Sick hours can be accumulated up to a maximum of 240 hours for employees hired April 1, 2013 or after.”



OFFICE OF THE STATE AUDITOR & INSPECTOR
2300 N. LINCOLN BOULEVARD, ROOM 100
OKLAHOMA CITY, OK 73105-4896

WWW.SAI.OK.GOV