



CREEK COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

Statutory Report

For the fiscal year ended June 30, 2021

Cindy Byrd, CPA
State Auditor & Inspector

**CREEK COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.



March 11, 2024

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

Transmitted herewith is the audit report of Creek County Emergency Medical Service District 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

**CREEK COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

	<u>General Fund</u>
Beginning Cash Balance, July 1	\$ 5,229,679
Collections	
Ad Valorem Tax	1,535,349
Charges for Services	3,549,635
Provider Relief Funds Phase 3 – CARES Act	77,704
Miscellaneous	382,532
Total Collections	<u>5,545,220</u>
Disbursements	
Personal Services	3,944,622
Maintenance and Operations	1,205,293
Capital Outlay	812,158
Audit Expense	13,264
Total Disbursements	<u>5,975,337</u>
Ending Cash Balance, June 30	<u>\$ 4,799,562</u>

Presented for informational purposes.

**CREEK COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Provider Relief Funds Phase 3 – CARES Act – money distributed to healthcare providers who bill Medicare fee-for-service for healthcare related expenses and lost revenues due to the coronavirus (COVID-19) pandemic. Funds were distributed by the Department of Health and Human Services (HHS) through the Health Resources and Service Administration (HRSA). The District received \$77,704 for the fiscal year.



Creek County Emergency Medical Service District
123 East Hobson Ave.
Sapulpa, Oklahoma 74066

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

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 District 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 District'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 District is the representation of the Creek 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 Creek 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 Creek County Emergency Medical Service District. 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

October 19, 2023

**CREEK COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2021-003 – Lack of Internal Controls and Noncompliance Over the Competitive Bidding Process

Condition: Upon inquiry of the Creek County Emergency Medical Service District (the District) Director, observation of Board meeting minutes, purchase orders, supporting documentation, and the test of the competitive bidding process, the following exceptions were noted:

Per review of the Board meeting minutes on August 13, 2020, bids for new vehicles were opened. Two bids were received and tabled for review. On September 17, 2020, during a Special Board meeting, Board minutes reflect a motion was made to award the bid proposal submitted by one of the vendors for \$92,655 each, or \$185,310 for two vehicles.

- Bids were opened and accepted in an open meeting; however, the District could not provide those bid documents to determine that the District followed state statutes regarding the competitive bidding process.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure that disbursements for equipment over \$25,000 are competitively bid in compliance with the state statutes.

Effect of Condition: This condition resulted in noncompliance with the state statutes regarding solicitation and acceptance of bids and could result in inaccurate records, incomplete information, or misappropriation of assets.

Recommendation: The Oklahoma State Auditor and Inspector's Office (OSAI) recommends the District design and implement policies and procedures to ensure the District follows the competitive bidding requirements for the purchase of vehicles and equipment exceeding \$15,000 prior to November 1, 2021, and \$25,000 after November 1, 2021, in accordance with 19 O.S. § 1723.

Additionally, the Board should maintain evidence that competitive bidding was properly performed. These procedures include the following documentation:

- proof of publication of the bid solicitation,
- proof the bids were time and date stamped when received,
- justification and approval of awarding the competitive bid to a bidder other than the lowest bidder in the Board minutes, and
- documentation of notification to the successful bidder.

Management Response:

Chairman of the Board: Going forward that District will maintain evidence that the competitive bidding process was properly performed.

**CREEK COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Criteria: 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.

Title 19 O.S. § 1723 states, Purchases by any board of trustees of any emergency medical service district shall be made in accordance with the bidding requirements as provided in Sections 1501 and 1505 of this title.

Finding 2021-004 – Lack of Internal Controls and Noncompliance Over the Public Construction Agreement between the District and the Construction Manager

Condition: Upon inquiry and observation of the Public Construction Agreement and subsequent payments to the Construction Manager, the following information was obtained:

- On September 12, 2019, the Board signed, in open meeting, a Public Construction Contract for the construction of a new ambulance building located in Kiefer, Oklahoma.
- On May 14, 2020, the architect presented the budget for the new ambulance building project to the Board. The Board approved the budget for the building at \$600,000 which is to include furniture, fixtures, and fees.

Based on this information, the following exceptions were noted:

- Documentation of the competitive bidding process and award of bids for subcontractors was not provided as evidence of compliance with the Public Competitive Bidding Act of 1974 (PCBA) as noted in the Public Construction Agreement as follows:

“The Construction Manager shall develop bidders' interest in the Project. Subcontractors and Suppliers shall be selected, and contracts let in strict accordance with the provisions of the Public Competitive Bidding Act of 1974, Okla. Stat. tit. 61 §101 et seq. (the “Act”).

- After review of the fiscal year 2020-2021 Board minutes and inquiry of District staff, it was determined that there were no documents retained by the District as evidence the Board reviewed, selected, and/or approved the award of the subcontract bids due to these bids not being approved in an open meeting by the Board.
- Our review of the minutes of March 11, 2021, noted the Board requested a formal statement be placed in the minutes regarding the “over budget dollars for the new ambulance building project.” However, documentation of the amount overbudgeted was not retained or recorded by the District;

**CREEK COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

therefore, we were unable to determine the construction project was over the budgeted amount of \$600,000.

- The District could not locate documentation of the award of subcontracts by the Board and determined the Construction Manager did not provide those documents to the Board.
- The District could not locate supporting documentation including the purchase order, vendor invoices, change orders and verification of receiving good and services of the payments made to the Construction Manager who has hired by the District to oversee the construction of the new ambulance building project.
- Eight (8) payments made to the Construction Manager totaling \$583,740.39, were not supported by purchase orders or documentation of the expenses.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure that disbursements for construction or improvements of public buildings or improvements to real property are competitively bid in compliance with the state statutes.

Effect of Condition: This condition resulted in noncompliance with the state statutes regarding solicitation and acceptance of bids and could result in inaccurate records, incomplete information, or misappropriation of assets.

Recommendation: OSAI recommends the District provide evidence of all vendor solicitations, bids, and tabulation of bids for construction projects to determine compliance with the competitive bidding procedures outlined in 61 O.S. § 101 - 139. Additionally, the District should retain proper documentation of purchase orders, vendor invoices, change orders and verification of receiving good and services to provide evidence of the Board's approval.

Management Response:

Chairman of the Board: The District will implement policies and procedures to ensure that documentation is retained to determine we are in compliance with the competitive bidding procedures outlined in 61 O.S. § 101-139, i.e., being able to provide evidence of all vendor solicitations, bids, and tabulation of bid for construction projects. Additionally, all proper documentation for purchase orders, vendor invoices, change orders and verification of receiving of goods and services will go before the Board for approval.

Criteria: 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.

**CREEK COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Title 61 O.S. § 104 states in part, “1. Notice thereof shall be given electronically and by publication in a newspaper of general circulation and published in the county where the work, or the major part of it, is to be done, such notice by publication to be published in two consecutive weekly issues of the newspaper, with the first publication thereof to be at least twenty-one (21) days prior to the date set for opening bids; and

2. Notice thereof shall be sent to one in-state trade or construction publication for their use and information whenever the estimated cost of the public construction contract exceeds One Hundred Thousand Dollars (\$100,000.00) or the cost of the construction management trade contract or subcontract exceeds Fifty Thousand Dollars (\$50,000.00).”

Title 61 O.S. § 111 states in part, “The awarding of a contract to the lowest responsible bidder or bidders shall be made within thirty (30) days after the opening of bids unless the governing body of the awarding public agency, by formal recorded action and for good cause shown, provides for a reasonable extension of that period, which extension period shall not in any event exceed fifteen (15) days...”

Title 61 O.S. § 112 states, “All bids, both successful and unsuccessful, and all contracts and required bonds shall be placed on file and maintained by the awarding public agency for a period of five (5) years from the date of opening of bids or for a period of three (3) years from the date of completion of the contract, whichever is longer, and shall be open to public inspection and shall be matters of public record”.

Title 61 O.S. § 113 states in part, B. Except as otherwise provided by law, within the period of time specified in subsection A of this section, the following shall be provided by the contractor to the awarding public agency for public construction contracts exceeding One Hundred Thousand Dollars (\$100,000.00) or construction management trade contracts or subcontracts exceeding Fifty Thousand Dollars (\$50,000.00):

1. A bond complying with the provisions of Section 1 of this title.
2. A bond in a sum equal to the contract price, with adequate surety, for the benefit of the state, on behalf of the awarding public agency, in a sum equal to the contract price, to ensure the proper and prompt completion of the work in accordance with the provisions of the contract and bidding documents.
3. A bond in a sum equal to the contract price for the benefit of the state, on behalf of the awarding public agency, to protect the awarding public agency against defective workmanship and materials for a period of one (1) year after acceptance of the project, except when the awarding public agency is the Department of Transportation or the Oklahoma Turnpike Authority, in such case the period shall be for one (1) year after project completion;
4. Public liability and workers' compensation insurance during construction in reasonable amounts. A public agency may require the contractor to name the public agency and its architects or engineers, or both, as an additional assured under the public liability

**CREEK COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

insurance, which requirement, if made, shall be specifically set forth in the bidding documents.

Finding 2021-007 – Lack of Internal Controls Over the Disbursement Process

Condition: Upon inquiry of District employees, observation of the disbursement process, and a test of fifty-three (53) disbursements, the following weaknesses were noted:

- Two (2) disbursements did not have adequate supporting documentation.
- Five (5) disbursements had no evidence of Board approval.
- One (1) disbursement was not an allowable expense for the District.
- Eight (8) disbursements were not provided by the District.

Cause of Condition: The District has not designed policies and procedures to ensure all purchase orders were supporting supported with adequate documentation, the verification of goods and/or services received were documented, and all disbursements were approved by the District Board and documented in the minutes.

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

Recommendation: OSAI recommends the District design and implement policies and procedures to ensure all purchase orders and documentation are maintained, purchases are supported with adequate documentation, the verification of goods and/or services received is documented, and all disbursements are approved by the Board and documented in the Board minutes.

Management Response:

Chairman of the Board: Going forward the District will ensure that all disbursements will have adequate supporting documentation, have evidence of Board approval, and are an appropriate expenditure of the District. Additionally, the District will retain all purchase orders and supporting documentation of disbursements for up to 7 years after the audit report is issued.

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

Policies & Procedures, Bylaws

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.

**CREEK COUNTY EMERGENCY MEDICAL SERVICE DISTRICT
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

O·K·L·A·H·O·M·A
S·A·I
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