

STATUTORY REPORT

# CRESCENT EMERGENCY MEDICAL SERVICE DISTRICT

For the period July 1, 2013 through 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

**CRESCENT EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE PERIOD OF JULY 1, 2013 THROUGH 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

March 2, 2016

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

Transmitted herewith is the audit report of Crescent Emergency Medical Service District for the period of July 1, 2013 through 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

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**Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2014 and FY 2015**

	<u>FY 2014</u>	<u>FY 2015</u>
Beginning Cash Balance, July 1	\$ 138,115	\$ 124,916
<b>Collections</b>		
Ad Valorem Tax	72,696	72,284
Charges for Services	67,806	76,364
Miscellaneous	3,258	15,130
Total Collections	<u>143,760</u>	<u>163,778</u>
<b>Disbursements</b>		
Personal Services	99,360	93,197
Travel	-	-
Maintenance and Operations	50,074	56,104
Capital Outlay	-	25,060
Audit Expense	7,525	-
Total Disbursements	<u>156,959</u>	<u>174,361</u>
Ending Cash Balance, June 30	<u>\$ 124,916</u>	<u>\$ 114,333</u>

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



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Crescent Emergency Medical Service District  
P.O. Box 233  
Crescent, Oklahoma 73028-0233

## **TO THE BOARD OF DIRECTORS OF THE CRESCENT 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 2014 and FY 2015 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Crescent 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 Crescent 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 Crescent 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, appearing to read "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

January 11, 2016

**CRESCENT EMERGENCY MEDICAL SERVICE DISTRICT  
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**Finding 2015-1 – Inadequate Segregation of Duties Over Inventory (Repeat Finding)**

**Condition:** Based on inquiry and observation of the District, the following was noted concerning fixed assets inventory:

- Inventory records are not maintained.
- Annual physical verification of inventory is not performed.
- One (1) 1990 Ford Ambulance could not be located. See Finding 2.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure inventory is being properly accounted for, maintained, and updated regularly by the District.

**Effect of Condition:** These conditions could result in errors and improprieties, unrecorded transactions, misappropriation of assets, or loss of District equipment.

**Recommendation:** The Oklahoma State Auditor & Inspector (OSAI) recommends that policies and procedures be designed and implemented to ensure inventory is being updated on an ongoing basis. Furthermore, OSAI recommends physical inventory verification, by someone other than the individual in charge of inventory, be completed and documented annually to verify inventory on hand.

**Management Response:**

**Chairman:** Due to reorganization a current inventory is being completed and will be evaluated annually by the Director and verified by a Board member. Policies are being developed for accounting of equipment and supplies.

**Criteria:** An important aspect of internal controls 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.

**Finding 2015-2 - Unauthorized Sale of Ambulance**

**Condition:** It was noted that on January 14, 2013, the City of Kingfisher transferred a 1990 Ford Ambulance to the District. While observing inventory, the ambulance could not be located. OSAI interviewed employees regarding the missing ambulance and was informed the ambulance had been sold.

- There was no documentation reflected in the Board minutes indicating the approval of disposition of the ambulance.
- At the point of sale, the title of the ambulance was signed by the Crescent EMS Director.

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- After reviewing the account information, there was no evidence the proceeds from the sale of the ambulance were deposited into the District's bank account.
- There was no documentation reflected in the Board minutes indicating the City of Kingfisher was offered the ambulance back prior to the sale of the ambulance as required by state statute.

**Cause of Condition:** Policies and procedures have not been designed and implemented with regards to effective internal controls over inventory and the approval of disposing of District owned equipment.

**Effect of Condition:** These conditions resulted in noncompliance with state statute. Further, these conditions resulted in inaccurate inventory records and possible misappropriation of assets.

**Recommendation:** OSAI recommends that the District adhere to state guidelines as required by state statute with regards to disposition of inventory.

**Management Response:**

**Chairman:** The person who authorized this transaction is no longer with the service. All future dispositions of assets are to be approved by the Board following state laws.

**Criteria:** An important aspect of internal controls is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process affected by an entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entities fixed assets inventory and safeguard fixed assets inventory from loss, damage, or misappropriation.

Title 19 O.S. § 421 outlines the requirement for the disposition of county property to be entered in minutes, and the requirements for the disposing of county property.

Title 19 O.S. § 421.2 outlines the requirements for transferring property back to the original owner before the property is surplus.

**Finding 2015-3 - Inadequate Internal Controls Over Payroll Process**

**Condition:** Based upon inquiry and observation of the payroll process, the following was noted for the 2015 fiscal year:

- The same employee maintains personnel files, prepares timesheets, creates payroll checks, and distributes payroll.
- The Board approved payroll without documentation of time worked.
- During our review of one (1) payroll period, we noted that all eight (8) timesheets were not approved by employee, supervisor and/or director.



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**Cause of Condition:** Policies and procedures have not been designed and implemented to sufficiently segregate the payroll process. Further, the procedures have not been implemented to provide reasonable assurance that payroll expenditures are accurate and properly recorded in the accounting records.

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

**Recommendation:** OSAI recommends the District establish internal controls to provide reasonable assurance for the accurate and complete presentation of payroll in the financial records of the District.

**Management Response:**

**Chairman:** Crescent EMS has purchased a time-keeping program to properly record payroll. The new software will be used in conjunction with our current accounting software to document schedules, hours worked, and payroll disbursement.

Crescent EMS is a small service. Due to limited employees, we are unable to segregate responsibilities to a level that would be ideal.

**Auditor Response:** The duties over the receipting process are not adequately segregated. Although the office is limited in staff, mitigating controls such as reviewing work of others could be implemented to reduce the risks of error and fraud. Evidence of the review should be noted with initials and dates.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. Effective internal controls over safeguarding of assets constitute a process, affected by an entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from misappropriation.

**Finding 2015-4 - Payroll Fraud**

**Condition:** Due to the concerns noted in the payroll process for the 2015 fiscal year, the payroll system's audit log for the June 2015 payroll was reviewed. The following exceptions were noted:

- June 30, 2015 9:44 am
  - Check # 9448 was created and printed in the amount of \$1,379.08.
- June 30, 2015 9:45 am
  - Check #9448 was deleted in the payroll system and the actual check was "voided."
  - Payroll information was changed to show 32 hours overtime at the rate of \$22.50 per hour.
  - Check # 9449 was created in the amount of \$1,712.80.
  - Check # 9449 was cashed at the local bank in the amount of \$1,712.80.
- June 30, 2015 7:54 pm

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- On check # 9449 the hours were changed to show no overtime which changed the amount of the check to \$1,379.08.
- The payroll tax report was changed to show the payroll amount of \$1,379.08.

In addition, we reviewed overtime pay for possible exceptions. One employee's hourly wage and hours from monthly timesheets were compared to actual amount paid to the employee from January 2015 – June 2015. It was noted that the total hours worked (including overtime hours) for the month were paid at regular rate pay and then the overtime hours were paid again at time and half. Resulting in overtime wages being paid twice, once at regular rate of pay and again at time and a half (1 ½) of regular pay.

Month	Paid	Calculated	Over Paid Variance
January	\$1,806.75	\$1522.13	\$284.63
February	\$1,881.00	\$1,716.00	\$165.00
March	\$2,212.88	\$1,726.88	\$486.01
April	\$2,128.50	\$1,872.75	\$255.75
May	\$2,118.00	\$2,006.63	\$111.38
June	\$2,196.00	\$1,855.50	\$340.50
<b>Total Calculation of Over Payment</b>	<u>\$12,343.13</u>	<u>\$10,699.89</u>	<u>\$1,643.27</u>

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure the accuracy of payroll disbursements and to ensure payroll disbursements are properly recorded in the accounting records of the District.

**Effect of Condition:** These conditions resulted in errors and misappropriation with regard to the accurate reporting of payroll disbursements.

**Recommendation:** OSAI recommends that management establish internal controls to provide reasonable assurance for the accurate and complete presentation of payroll disbursements in the financial records of the District. Furthermore, OSAI recommends management refer the above referenced fraud to their respected District Attorney for further review.

**Management Response:**

**Chairman:** Crescent EMS has purchased a time-keeping program to properly record payroll. The new software will be used in conjunction with our current accounting software to document schedules, hours worked, and payroll disbursement. Closer oversight by the Board of Directors will be implemented.

The Logan County District Attorney will be consulted regarding criminal charges.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. Internal controls should be designated to analyze and check accuracy, completeness, and authorization of payroll calculations and/or transactions. To help ensure a proper accounting of funds, the duties of processing, authorizing, and payroll distribution should be segregated.

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**Finding 2015-5 - Inadequate Segregation of Duties Over Receipting and Reconciliation Process (Repeat Finding)**

**Condition:** While gaining an understanding of the receipting, depositing, and reconciling functions, we noted the following exceptions:

- Reconciliations from June 2014 through December 2014 were not reviewed for accuracy by someone other than the preparer.
- Receipts were not issued from January 2015 through June 2015.
- Reconciliations were not performed for January 2015 through June 2015.
- Financial reports were not presented to the Board from January 2015 through June 2015.
- Collections were not deposited daily.
- Customers' records were not manually maintained on-site and could not be accessed through the third party billing providers' IT system.

**Cause of Condition:** The District has not designed and implemented policies and procedures to sufficiently segregate the receipting and reconciliation process.

**Effect of Condition:** A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds not being detected in a timely manner.

**Recommendation:** OSAI recommends management be aware of these conditions and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management's oversight of office operations and a periodic review of operations. OSAI recommends management provide segregation of duties so that no one employee is able to perform all accounting functions. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office, and having management review and approve accounting functions. Further, OSAI recommends evidence of the Board's review process be clearly documented for all bank reconciliations, so as to provided a mitigating controls over inadequate segregation of duties for the receipting, depositing, and reconciling processes.

**Management Response:**

**Chairman:** Crescent EMS has hired a new Director to comply with regulations. Procedures are being implemented to ensure compliance.

Due to limited employees, we are unable to segregate responsibilities to a level that would be ideal.

**Auditor Response:** The duties over the receipting process are not adequately segregated. Although the office is limited in staff, mitigating controls such as reviewing work of others could be implemented to reduce the risks of error and fraud. Evidence of the review should be noted with initials and dates.

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**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. Internal controls over safeguarding of assets constitute a process, affected by an entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from misappropriation. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording, depositing, and reconciliations should be segregated.

**Finding 6 – Inadequate Segregation of Duties Over Disbursements**

**Condition:** Based upon inquiry with the District staff, observation and review of disbursements, it was noted that the District has not properly designed and implemented internal control procedures concerning the disbursing of District funds. The following was noted:

**2014**

- One individual may order goods/services, receive goods/services, prepare checks, and distribute the checks.

In reviewing twenty-five (25) disbursements tested, the following exception was noted:

- One (1) claim was not approved by supervisor or director.

**2015**

- One individual may order goods/services, receive goods/services, prepare checks, and distribute the checks.
- A debit card was approved by the Board on September 8, 2014 for an accounting computer system and other purchases warranting debit card use.
- The Former Director was still an authorized signer on the checking and savings account 3 months after his resignation.

In reviewing twenty-five (25) disbursements tested, the following exceptions were noted:

- Seven (7) claims did not have any indication that goods and/or services had been received (i.e., receiving report, signature, etc.).
- Six (6) claims did not have supporting documentation (i.e., timesheet, etc.).
- Six (6) claims did not have supporting documentation (i.e. invoice, etc.).

In reviewing six (6) judgmentally selected debit card disbursements, the following exceptions were noted:

- Five (5) claims did not have any indication that goods and/or services had been received (i.e., receiving report, signature, etc.).
- Five (5) claims did not have supporting documentation (i.e., invoice, receipts, etc.).
- Four (4) claims were not approved by the Board.

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**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure disbursements are incurred only for the lawful operation of the District, to document approval of disbursement, and to indicate receipt of goods and/or services.

**Effect of Condition:** These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, misappropriation of funds and the misuse of government funds.

**Recommendation:** OSAI recommends management be aware of these conditions and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management's oversight of office operations and a periodic review of operations. OSAI recommends management provide segregation of duties so that no one employee is able to perform all accounting functions. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office, and having management review and approve accounting functions. OSAI further recommends management suspend the use of all debit cards.

**Management Response:**

**Chairman:** Due to limited employees, we are unable to segregate responsibilities to a level that would be ideal.

**Auditor Response:** The duties over the receipting process are not adequately segregated. Although the office is limited in staff, mitigating controls such as reviewing work of others could be implemented to reduce the risks of error and fraud. Evidence of the review should be noted with initials and dates.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, key duties and responsibilities should be segregated among different individuals to reduce the risk of error or fraud. No one individual should have the ability to authorize transactions, have physical custody of assets, and record transactions. Internal controls should be established to analyze and check accuracy, completeness, authorization, and validity of transactions.

**Finding 2015-7 - Inadequate Internal Controls Over Board Meeting Minutes**

**Condition:** Upon review of the District's Board meeting agendas and minutes, the following weaknesses exist:

- The agenda posted for each Board meeting between August 5, 2014 and June 8, 2015 did not include the specific time and place of meetings.
- Minutes for a special meeting on August 5, 2014 could not be located.

Additionally, there is no evidence of the Board approving the minutes for the following meetings: August 11, November 10, December 8, 2014 and February 9, and June 8, 2015.

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**Cause of Condition:** Policies and procedures have not been designed with regards to the Open Meeting Act. The District failed to ensure the Board meeting notices were properly posted with a specific time and place of the meetings according to 25 O.S. § 303 and special meetings were not properly posted according to 25 O.S. § 311 (A) 11.

**Effect of Condition:** Inadequate internal controls over the agenda of the Board meetings resulted in noncompliance with the Open Meetings Act. Additionally, failure to provide adequate internal controls over recordkeeping of Board minutes could result in inaccurate records.

**Recommendation:** OSAI recommends the Board adhere to the Open Meeting Act with regards to:

- All meetings with advance notice of specific time and place, 25 O.S. § 303.
- Special Meetings, 25 O.S. § 311 (A) 11.

OSAI also recommends that all Board meetings have advance notice of such meetings to include the specific time, place, and purpose of the meeting. The Board meeting minutes should be reviewed for accuracy and signed as verification of this review, and maintained in a safe and secure location.

**Management Response:**

**Chairman:** A new director has been hired to comply with state laws. Board oversight will ensure Open Meeting Act laws will be followed.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. A component objective of an effective control system is to provide accurate and reliable information through proper documentation of the Board meetings.

Oklahoma Open Meeting and Open Records Book states:

Title 25 O.S. § 303 states in part, “All meetings of such public bodies, shall be preceded by advance public notice specifying the time and place of each such meeting.”

Title 25 O.S. § 311 (A) (11) states in part, “Special meetings of public bodies shall not be held without public notice being given at least forty-eight (48) hours prior to said meetings. Only matters appearing on the posted agenda may be considered at said special meeting. Such public notice shall be posted in prominent public view at the principal office of the public body or at the location of said meeting if no office exists. Twenty-four (24) hours prior public posting shall exclude Saturdays and Sundays and holidays legally declared by the State of Oklahoma.”

**Finding 2015-8 - Inadequate Internal Controls Over Charges for Services**

**Condition:** Based upon observation of billing records and discussion with District staff, we determined that the District staff does not follow up with the third party billing service to ensure a second bill is sent if payment has not been received for the 2015 fiscal year.

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Additionally, we reviewed and recalculated twenty-five (25) runs, related receipts and deposits, and noted the following deficiencies:

- Three (3) instances in which the patient was not billed.

Incident Date	Log Run Number	Billed	Calculated	Variance
7/12/2014	14014781431	0	874.10	(874.10)
1/07/2015	1401580181	0	900.00	(900.00)
6/14/2015	1401581331	0	926.25	(926.25)

- Two (2) instances in which the amount recalculated did not agree to the amount billed for charges for services.

Incident Date	Log Run Number	Billed	Calculated	Variance
7/08/2014	1401481421	1,362.50	974.00	338.50
7/30/2014	1401481521	1,058.75	923.60	135.15

In addition, the following exceptions were noted also:

- Eleven (11) runs were not properly billed and payments have not been received to date.
- Two (2) runs did not have a second billing or authorization from the Board to be written off.

**Cause of Condition:** Policies and procedures have not been adequately designed and implemented to ensure the amounts billed for services are accurate; receipts are prepared for all monies received, and the Board approval for all write-offs.

**Effect of Condition:** These conditions could result unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner, and the District under/over-billing for ambulance services.

**Recommendation:** OSAI recommends the Board of Trustees (the Board) actively review the billing statements to ensure all accounts are billed and for the correct amounts. Further, OSAI recommends evidence of this review be documented as to mitigate some of the risk associated with having a limited staff perform all duties of billing accounts.

**Management Response:**

**Chairman:** A new Director has been hired to oversee billing. The Board is currently reviewing previous billing and implementing new procedures to ensure all transactions are accurate.

**Criteria:** Effective internal controls require oversight by management to provide assurance that amounts billed are based upon the billing policies adopted by the Board, and the billing process is monitored for correctness and completeness.

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**Finding 2015-9 - Inadequate Internal Controls Over Contracts**

**Condition:** Upon review of the District's signed contract with a service provider, we determined that the following weaknesses exist:

- There is no evidence this contract was submitted to the District Board for approval.
- The Director signed the contract on August 7, 2014.
- The contract authorized the service provider to make discounts and negotiate payment amounts without the Board's approval.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure that contractual obligations for the District are reviewed and approved by the Board.

**Effect of Condition:** This condition could result in misuse or misappropriation of the District's funds by the contractual service provider.

**Recommendation:** OSAI recommends the District Board design and implement policies and procedures to ensure that contractual obligations of the District are being met and payments made to the service provider are accurate. At a minimum, the following policies and procedures should be implemented.

- All contracts should be reviewed and approved by the Board and well documented in the minutes.
- All adjustments to collections should be authorized and approved by the Board.

**Management Response:**

**Chairman:** The current board will have more involvement in the billing process. All contracts are to be reviewed and approved by the board.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. An effective internal control system provides accurate and reliable information through proper review and approval.

**Finding 2015-10 - Inadequate Internal Controls and Noncompliance Over Bidding Process and Lease Purchase of Equipment**

**Condition:** Based upon inquiry, observation, and testwork conducted on the bidding process for the District, the following exceptions were noted for the 2015 fiscal year:

Description	Date Purchased	Amount
2009 Ford E-350	10/14/14	\$20,000.00
Refurbished box mounted on chassis	12/08/14	\$74,945.00



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- There was no evidence that the purchase was properly bid.
- There was no evidence that the District utilized the state bid contract or a Nationwide Bidding Program Contract.
- The District entered into a lease purchase agreement without statutory authority and without bidding the financing.

Additionally, the District had the refurbished box attached to the 2009 Ford E-350 on December 8, 2014. On January 29, 2015, the District entered into a lease purchase agreement with a local bank to pay for the vehicle.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure that expenditures in excess of statutory requirements be competitively bid in compliance with 19 O.S. § 1723. Further, policies and procedures have not been designed to enter into a lease-purchase agreement in compliance with 19 O.S. § 1723.

**Effect of Condition:** These conditions resulted in noncompliance with state statutes.

**Recommendation:** OSAI recommends that purchases in excess of \$15,000 be competitively bid in accordance with state statutes. Further, OSAI recommends that all bids be time stamped and dated upon receipt to ensure competitive bids are awarded in accordance with state statute and all relevant bid documents be retained as required by statute.

**Management Response:**

**Chairman:** Future bids will be done in compliance with state statutes. The employee responsible for this bidding process is no longer with the service.

**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.

As of July 1, 2012, 19 O.S. § 1723 requires EMS Districts to make purchases in accordance with the county purchase procedures as outlined in 19 O.S. § 1501, which as of May 6, 2014 requires all purchases in excess of \$15,000 be competitively bid.



**OFFICE OF THE STATE AUDITOR & INSPECTOR**  
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