



# GROVE EMERGENCY MEDICAL SERVICE DISTRICT

## Statutory Report

For the fiscal year ended June 30, 2023

**Cindy Byrd, CPA**  
State Auditor & Inspector

**GROVE EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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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](http://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.



September 27, 2024

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

Transmitted herewith is the audit report of Grove Emergency Medical Service District for the fiscal year ended June 30, 2023.

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

**GROVE EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
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**Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2023**

	<u>General Fund</u>
Beginning Cash Balance, July 1	\$ 600,509
Collections	
Ad Valorem Tax	723,632
Miscellaneous	38,550
Total Collections	<u>762,182</u>
Disbursements	
Contract Services	287,981
Maintenance and Operations	26,811
Capital Outlay	311,293
Total Disbursements	<u>626,085</u>
Ending Cash Balance, June 30	<u>\$ 736,606</u>

*Presented for informational purposes.*



Grove Emergency Medical Service District  
701 East 13th Street  
Grove, Oklahoma 74344

**TO THE BOARD OF DIRECTORS OF THE  
GROVE 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 collections 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, 2023 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, 2023 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Grove 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 Grove 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 Grove 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

August 20, 2024

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2023-006 – Lack of Internal Controls and Noncompliance Over the Competitive Bidding Process (Repeat Finding)**

Upon inquiry of the Grove Emergency Medical Service District (the District) Administrator, observation of the Board meeting minutes, and the test of the competitive bidding process, the following exception was noted:

- The District purchased a monitor/defibrillator in the amount of \$35,377 and could not provide evidence that state statute regarding the competitive bidding processes were followed.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure that disbursements for equipment are competitively bid in compliance with state statute.

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

**Recommendation:** The Oklahoma State Auditor & 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 in accordance with 19 O.S. § 1723 and ensure all documentation is retained.

**Management Response:**

**Chairman of the Board:** The District recognizes the competitive bidding requirements for the purchase of vehicles and equipment in accordance with 19 O.S. § 1723. However, The District's needs for medical equipment are generally supplied by a particular vendor that is the only carrier of the equipment. The District will document the bidding process moving forward to show all requirements of the EMS District are met.

**Auditor Response:** OSAI recommends the Board design and implement policies and procedures to comply with the bidding requirements in accordance with Title 19 O.S. § 1723.

**Criteria:** The United States Government Accountability Office’s *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasigovernmental entities.

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

*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.

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 2023-007 – Lack of Internal Controls and Noncompliance with the Public Competitive Bidding Act of 1974**

**Condition:** Based upon inquiry of the District Chairman and Administrator along with observation of the competitive bidding process for the District, the following weakness was noted:

- The District did not obtain competitive quotes for maintenance and improvements totaling \$14,000 at the EMS Station.

**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 statute.

**Effect of Condition:** This condition resulted in noncompliance with the state statutes regarding the competitive bidding requirements and could result in inaccurate records and incomplete information.

**Recommendation:** OSAI recommends the District design and implement policies and procedures to ensure that disbursements for construction or improvements of public buildings or improvements to real property are competitively bid in compliance with competitive bidding procedures outlined in 61 O.S. § 101 - 139.



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**Management Response:**

**Board Response:** The District adheres to the OSAI recommendation for designing and implementing policies and procedures for competitive bidding of construction or improvements of public buildings or improvements to real property in compliance with competitive bidding procedures outlined in 61 O.S. § 101 - 139.

The situation of the District purchasing an HVAC unit for the building amounting to \$14,000 was an immediate need as the previous unit had failed. The competitive bidding process would have taken too much time to meet the immediate need, and the Board approved the purchase to timely care for the property as directed in the Ambulance Service Provider contract.

**Auditor Response:** Construction or improvement projects should follow the competitive bidding procedures outlined in 61 O.S. § 101-139.

**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 61 O.S. § 103C states,

C. Except as provided in subsection E of this section, other construction contracts for the purpose of making any public improvements or constructing any public building or making repairs to the same for Fifty Thousand Dollars (\$50,000.00) or less shall be let and awarded to the lowest responsible bidder by receipt of written bids or awarded on the basis of competitive quotes to the lowest responsible qualified contractor. Work may be commenced in accordance with the purchasing policies of the public agency.

O·K·L·A·H·O·M·A  
S·A·I  
STATE AUDITOR & INSPECTOR



**Cindy Byrd, CPA | State Auditor & Inspector**

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