



# MURRAY COUNTY EMERGENCY MEDICAL SERVICE DISTRICT

## Statutory Report

For the fiscal year ended June 30, 2019

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

**MURRAY COUNTY EMERGENCY MEDICAL SERVICE DISTRICT  
STATUTORY REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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Cindy Byrd, CPA | State Auditor & Inspector

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September 14, 2020

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

Transmitted herewith is the audit report of Murray County Emergency Medical Service District for the fiscal year ended June 30, 2019.

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



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**Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2019**

	<u>Operations</u>	<u>County Sales Tax</u>
Beginning Cash Balance, July 1	\$ 1,264,755	\$ 21,736
<b>Collections</b>		
Ad Valorem Tax	370,733	-
Charges for Services	1,015,507	-
Sales Tax	-	92,639
Sales Tax Reimbursements	83,832	-
Donations	514,000	-
Miscellaneous	18,250	-
<b>Total Collections</b>	<u>2,002,322</u>	<u>92,639</u>
<b>Disbursements</b>		
Personal Services	637,139	-
Maintenance and Operations	373,262	9,048
Capital Outlay	591,573	83,832
Audit Expense	12,412	-
<b>Total Disbursements</b>	<u>1,614,386</u>	<u>92,880</u>
Ending Cash Balance, June 30	<u>\$ 1,652,691</u>	<u>\$ 21,495</u>

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**SALES TAX**

Sales Tax of November 8, 2011

The voters of Murray County approved a one percent (1%) sales tax on November 8, 2011. The sales tax became effective January 1, 2012 and has a term of 10 years. The sales tax is to be earmarked and used for maintaining General Government, County Commissioners, Economic Development, Sulphur Chamber of Commerce, Davis Chamber of Commerce, Murray County Senior Citizens Organizations, Rural Fire Departments, Rural Emergency Management, Murray County Fair Board, Home Extension Organizations, 4-H Organizations, County Clerk, Court Clerk, County Assessor, County Treasurer, County Sheriff, County Sheriff's Reserve Deputies, Courthouse Facilities and Grounds, OSU Extension Office (Agriculture), Miscellaneous Collection Fees, EMS (Ambulance Service), and Enhanced 911. The Murray County Emergency Medical Service District receives 5.25% of the sales tax appropriations and the funds are accounted for within the County General Fund as "EMS 5" EMS Sales Tax.

For the fiscal year ended, June 30, 2019, \$92,880 was expended for the purchase of an ambulance and architect fees for purposed remodeling of a building.

Murray County Emergency Medical Service District  
P.O. Box 545  
Sulphur, Oklahoma 73086

**TO THE BOARD OF DIRECTORS OF THE  
MURRAY 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 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 for the fiscal year ended June 30, 2019 was 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 and 61 O.S. §101-139.
- 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 compliance with contract service providers.
- Determined whether the District's collections, disbursements, and cash balances for the fiscal year ended June 30, 2019 were accurately presented on the estimate of needs.

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

June 26, 2020

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2019-008 - Internal Controls Over the Payroll Process (Repeat Finding)**

**Condition:** Based upon inquiry of Murray County Emergency Medical Service District (the District) staff and the review of seventeen (17) employees' timesheets and supporting documents for the payroll period of June 16, 2019 through June 29, 2019, the following exceptions were noted:

- One (1) employee did not sign a timesheet.
- None of the seventeen (17) timesheets tested had evidence of review and approval by a supervisor or the director in the form of a signature.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure timesheets are signed by the employee and approved by a supervisor or the director.

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

**Recommendation:** The Oklahoma State Auditor and Inspector's Office (OSAI) recommends the District be aware of these conditions and each timesheet is verified by the employee and supervisor or the director for accuracy, review and approval.

**Management Response:**

**Chairman:** The District will be more diligent in adhering to payroll policies and procedures that have been designed.

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

*Segregation of duties*

Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.

*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.



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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.

**Finding 2019-009 – Internal Controls and Noncompliance Over Competitive Bidding Procedures**

**Condition:** Based upon inquiry of District staff, observation of Board minutes and the bidding process for an ambulance, the following exceptions were noted regarding the bidding process:

- The District Board voted to solicit bids on a Type II Ambulance on July 11, 2018 using County Sales Tax funds maintained with the Murray County Board of County Commissioners.

The Board minutes reflected bids were opened on December 12, 2018. Two (2) bids were received:

- Pinnacle Emergency Vehicles for \$80,531.
- Professional Ambulance for \$83,832.

The Board minutes stated, *“Motion was made to accept the bid from Professional Ambulance for \$83,832.00 contingent on bid specs being reviewed and met. The other bidder did not meet bid specs – no non-collusion affidavit.”*

However, upon reviewing documentation of the bids, it was determined that the bid packet from Pinnacle Emergency Vehicles, the low bidder as per the Board minutes, could not be located by the District. Therefore, we could not verify that the bid process was performed in accordance with the state statutes.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure that disbursements for equipment over \$15,000 are competitively bid in compliance with the state statute.

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

**Recommendation:** OSAI recommends the District provide evidence of bid packages in order to determine competitive bidding procedures outlined in 19 O.S. § 1723 are documented to ensure the District obtained the lowest and/or best price for equipment costing \$15,000.00 or more, in accordance with state statutes.

**Management Response:**

**Chairman:** The District will be more diligent in the future in maintaining and safeguarding records so that documentation is available for auditor review and compliance with competitive bidding statutes.

**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

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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.”

Further, Title 19 O.S. § 1505 states in part,

“2. Bids shall be solicited by mailing or emailing a notice to all persons or firms who have made a written request of the county purchasing agent that they be notified of such bid solicitation and to all other persons or firms who might reasonably be expected to submit bids. Notice of solicitation of bids shall also be published one time in a newspaper of general circulation in the county. Notices shall be mailed and published at least ten (10) days prior to the date on which the bids are opened. Proof of the mailing or emailing shall be made by the affidavit of the person mailing or emailing the request for bids and shall be made a part of the official records of the county purchasing agent. Whenever any prospective supplier or vendor dealing in or listing for sale any particular item or article required to be purchased or acquired by sealed bids fails to enter or offer a sealed bid for three successive bid solicitations, the name of the supplier or vendor may be dropped from the mailing lists of the board of county commissioners;

3. The sealed bids received from vendors and the state contract price received from the applicable Division of the Office of Management and Enterprise Services shall be given to the county clerk by the county purchasing agent. The county clerk shall forward the sealed bids and state contract price, if any, to the board of county commissioners. The special meeting agenda must be visible for the entire 24 hours in advance of a meeting.”

**Finding 2019-011 – Internal Controls and Noncompliance Over the Open Meeting Act and Board Minutes (Repeat Finding)**

**Condition:** Upon inquiry of the District officials and review of the District Board agendas and minutes, we determined the following:

- Regular meeting agendas stated the following, “Board to Discuss Employee Matters with Possible Executive Session.” However, the Board minutes reflected there were no matters to discuss as reported by the Board Attorney. Further, the agenda item did not identify a specific employee or unique position as required by the Open Meeting Act and Attorney General Opinions.
- Special meeting agendas stated the following, “New Business, with Possible Discussion and Board Action.” In accordance with the Open Meeting Act, new business is not provided for as an agenda item when holding a special meeting.

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Further, Board minutes did not indicate the donor name or the amount of donations or the purpose of donations, as accepted and approved by the Board for the remodeling of the building in Sulphur, Oklahoma, known as Station 1, from the following sources;

- Chickasaw Nation donated \$400,000.00, which was deposited July 14, 2018,
- Valley View Foundation donated \$50,000.00, which was deposited July 16, 2018.
- Southern Oklahoma Memorial Foundation donated \$50,000.00, which was deposited July 24, 2018.

**Cause of Condition:** Policies and procedures have not been designed and implemented regarding District Board agendas and meetings regarding compliance with state statutes, the Open Meeting Act and Attorney General Opinions.

**Effect of Condition:** These conditions could result in unrecorded transactions, undetected errors, or misappropriation of funds and resulted in noncompliance with state statutes and Attorney General Opinions.

**Recommendation:** OSAI recommends the District design and implement policies and procedures to comply with state statutes, the Open Meetings Act and Attorney General Opinions regarding Board minutes and agendas.

**Management Response:**

**Chairman:** The charitable donations were made for a specific purpose of assisting in the construction and remodel of a new MCEMS( District) headquarters. In the future, we will include the name and amount of all charitable donors in our Board minutes.

Regarding executive sessions, the District will no longer include an agenda item for executive session unless there are specific reasons for the executive session.

Regarding new business as listed on a special meeting agenda, the District will no longer include new business as an agenda item on a special meeting notice.

**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.

The Open Meeting Act provide the following regarding documenting the actions of the Board in public meeting;

Title 25 O.S. § 312(A) states, “A. The proceedings of a public body shall be kept by a person so designated by such public body in the form of written minutes which shall be an official summary of the proceedings showing clearly those members present and absent, *all matters*

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*considered by the public body, and all actions taken by such public body.* The minutes of each meeting shall be open to public inspection and shall reflect the manner and time of notice required by this act.”

The Open Meeting Act and Attorney General Opinion provides for the following regarding executive sessions and personnel issues states the following;

The Agenda must list proposed executive sessions and state the *specific provision* of the Open Meeting Act authorizing the executive session.

Title 25 O.S. § 311(B.1)(2) states;

“B. 1. All agendas required pursuant to the provisions of this section shall identify all items of business to be transacted by a public body at a meeting including, but not limited to, any proposed executive session for the purpose of engaging in deliberations or rendering a final or intermediate decision in an individual proceeding prescribed by the Administrative Procedures Act.

2. If a public body proposes to conduct an executive session, the agenda shall:

- a. contains sufficient information for the public to ascertain that an executive session will be proposed,
- b. identifies the items of business and purposes of the executive session, and
- c. state specifically the provision of Section 307 of this title authorizing the executive session.”.

If discussing personnel, the agenda must list the *specific employee or unique position* of the employee in accordance with 1997 OK AG 61.

The special meeting agenda must be visible for the entire 24 hours in advance of a meeting. (1997 OK AG 98)

The special meeting agenda can *only* discuss items listed on the agenda. Special Meetings cannot have “new business” discussed.

Title 25 O.S. § 311(A)(12), states:

“12. Special meetings of public bodies shall not be held without public notice being given at least forty-eight (48) hours prior to the meetings. Such public notice of date, time and place shall be given in writing, in person or by telephonic means to the Secretary of State or to the county clerk or to the municipal clerk by public bodies in the manner set forth in paragraphs 2, 3, 4, 5 and 6 of this subsection. The public body also shall cause written notice of the date, time and place of the meeting to be mailed or delivered to each person, newspaper, wire service, radio station and television station that has filed a written request for notice of meetings of the public body with the clerk or secretary of the public body or with some other person designated by the public body. Such written notice shall be mailed or delivered at least forty-eight (48) hours prior to the special meeting. The public body may charge a fee of up to Eighteen Dollars (\$18.00) per year to persons or entities filing a

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written request for notice of meetings and may require such persons or entities to renew the request for notice annually. In addition, all public bodies shall, at least twenty-four (24) hours prior to such special meetings, display public notice of the meeting, setting forth thereon the date, time, place and agenda for the meeting. Only matters appearing on the posted agenda may be considered at the 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 the meeting if no office exists. Twenty-four (24) hours prior public posting shall exclude Saturdays, Sundays and holidays legally declared by the State of Oklahoma. In lieu of the public posting requirements of this paragraph, a public body may elect to follow the requirements found in subparagraph b of paragraph 9 of this subsection, provided that forty-eight-hour notice is required for special meetings and that the forty-eight-hour requirement shall exclude Saturdays, Sundays and holidays legally declared by the State of Oklahoma.”

O·K·L·A·H·O·M·A  
S·A·I  
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