

## EXECUTIVE SUMMARY



## Oklahoma State Department of Health

September 2019 through February 2021

## ENGAGEMENT & OBJECTIVES

We were engaged at the request of Oklahoma State Attorney General, in accordance with 74 O.S. § 18(f), to address concerns of improper uses of state funds.

Per the Attorney General's request, we made inquiries and reviewed records regarding concerns at the Oklahoma State Health Department. The following objectives were developed as a result of the issues noted:

1. Determine if Personal Protective Equipment (PPE) paid by wire transfer from OSDH clearing account was received.
2. Determine if administrative expenditures and contracts were properly procured according to the Central Purchasing Act.
3. Determine if salaries were reasonable based on the position.

## IMPACT ON THE STATE & OSDH

During this time of unforeseen challenges, it is imperative that financial accountability, management, and oversight of state funds is exercised appropriately while protecting the public. We acknowledge the exceptional circumstances the pandemic has presented. However, the state did not have a comprehensive emergency procurement policy or procedure in place prior to the COVID-19 emergency, greatly increasing the state's risk for fraud, waste, and loss of funds. As a result, prepayments were made in violation of the Oklahoma Constitution and goods have still not been received for over \$5.4 million paid by the state.

OSDH should continue to reconcile all payment records with inventory records and receiving documentation to ensure all PPE was received and COVID related services have been provided. OSDH should continue to work with the Attorney General's Office, to ensure vendors have reimbursed the agency for the goods not received.

It is imperative that emergency financial policies and procedures be developed to help provide clear guidance should our state ever face another pandemic such as COVID-19. The state needs to ensure that all agencies have emergency procurement policies and procedures as part of their overall Continuity of Operations Plan (COOP)<sup>1</sup>.

See the full report at [www.sai.ok.gov](http://www.sai.ok.gov).

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<sup>1</sup> [Continuity Guidance Circular](#) - February 2018 (oklahoma.gov)