



STATE OF OKLAHOMA
OFFICE OF THE STATE AUDITOR & INSPECTOR

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DEPARTMENT OF
CORRECTIONS

JULY 1, 2002 THROUGH JUNE 30, 2004



JEFF A. McMAHAN, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

**DEPARTMENT OF CORRECTIONS
REPORT ON AGREED-UPON PROCEDURES
FOR THE PERIOD JULY 1, 2002
THROUGH JUNE 30, 2004**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

May 9, 2005

TO THE DIRECTOR OF THE DEPARTMENT OF CORRECTIONS

Transmitted herewith is the agreed-upon procedures report on internal audit's working papers for the period July 1, 2002 through June 30, 2004. The procedures were performed in accordance with the engagement letter dated March 31, 2005, and were conducted pursuant to 57 O.S. § 537 (D) and 57 O.S. § 539 (4). By performing these procedures, we are also fulfilling the requirements of 74 O.S. § 212(F).

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of the engagement.

The Office of the State Auditor and Inspector is committed to serving the public interest by providing independent oversight and issuing reports that serve as a management tool to the state to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in blue ink that reads "Jeff A. McMahon".

JEFF A. McMAHAN
State Auditor and Inspector

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BOARD OF CORRECTIONS

In May 1967, Governor Dewey F. Bartlett signed the Oklahoma Corrections Act into law. The Department is governed by a bi-partisan, seven-member board of gubernatorial appointees serving six-year staggered terms. They are presently as follows:

July 1, 2003 through June 30, 2004

David C. Henneke, Chairman,

Robert L. Rainey, Vice Chairman

W. Mark Luttrull, Secretary

Ernest Godlove, Member

Ted Logan, Member

Beverly Young, Member

Earnest D. Ware, Member

July 1, 2002 through June 30, 2003

Randy Wright, Chairman

James Boykin, Vice Chairman

David C. Henneke, Secretary

W. Mark Luttrull, Member

Robert L. Rainey, Member

Hugh Reed, Member

Beverly Young, Member

FACILITIES WITHIN THE DEPARTMENT OF CORRECTIONS

- Charles E. "Bill" Johnson Correctional Center – Alva, Oklahoma
- Clara Waters Community Corrections Center – Oklahoma City, Oklahoma (until May 3, 2003)
- R. B. "Dick" Connor Correctional Center – Hominy, Oklahoma
- Dr. Eddie Warrior Correctional Center – Taft, Oklahoma
- Enid Community Corrections Center – Enid, Oklahoma
- Hillside Community Corrections Center – Oklahoma City, Oklahoma
- Howard McLeod Correctional Center – Atoka, Oklahoma
- Jackie Brannon Correctional Center – McAlester, Oklahoma
- James Crabtree Correctional Center – Helena, Oklahoma
- James E. Hamilton Correctional Center – Hodgen, Oklahoma
- Jess Dunn Correctional Center – Taft, Oklahoma
- John Lilley Correctional Center – Boley, Oklahoma
- Joseph Harp Correctional Center – Lexington, Oklahoma
- Kate Barnard Community Corrections Center – Oklahoma City, Oklahoma
- Lawton Community Corrections Center – Lawton, Oklahoma
- Lexington Assessment & Reception Center – Lexington, Oklahoma
- Mabel Bassett Correctional Center – McLoud, Oklahoma
- Mack Alford Correctional Center – Stringtown, Oklahoma
- Muskogee Community Corrections Center – Muskogee, Oklahoma
- Northeast Oklahoma Correctional Center – Vinita, Oklahoma
- Oklahoma City Community Corrections Center – Oklahoma City, Oklahoma
- Oklahoma State Penitentiary – McAlester, Oklahoma
- Oklahoma State Reformatory – Granite, Oklahoma
- William S. Key Correctional Center – Fort Supply, Oklahoma

PRIVATE PRISONS UNDER CONTRACT WITH THE DEPARTMENT OF CORRECTIONS

- Cimarron Correctional Facility – Cushing, Oklahoma
- Davis Correctional Facility - Holdenville, Oklahoma
- Great Plains Correctional Facility - Hinton, Oklahoma
- Lawton Correctional Facility – Lawton, Oklahoma
- Central Oklahoma Correctional Facility – McLoud, Oklahoma
(until April 2003)
- Diamondback Correctional Facility – Watonga, Oklahoma
(until November 2003)



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

Shepherd Mall
Branch Office

**INDEPENDENT AUDITOR'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

**RON WARD, DIRECTOR
DEPARTMENT OF CORRECTIONS**

We have performed the procedures enumerated below, which were agreed to by management of the Department of Corrections (the Department), solely to assist you in evaluating the performance of specific procedures on work performed by internal auditors relating to requirements under 57 O.S. § 537 (D) and 57 O.S. § 539 (4) for the period July 1, 2002 through June 30, 2004. The Department's internal auditors are responsible for performing periodic audits of the facilities within the Department and its institutions. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures are as follows:

Determine whether the internal auditors' working papers contain documentation of procedures performed and whether the findings documented in the working papers were presented in a report by the internal auditors for the following:

- all items of equipment, supplies, materials, livestock and poultry, purchased or produced, within the Department of Corrections and its institutions
- all continuing and special funds and special accounts
- the operations of the canteen services

We judgmentally selected and reviewed a sample of 39 out of the approximately 100 internal audit reports and supporting working papers for internal audits performed for the period July 1, 2002 through June 30, 2004 to determine whether:

1. the audit covered one or more of the above listed items and accounts as indicated by the operations at the institution;
2. internal controls were evaluated for the above listed items and accounts;
3. sample sizes appeared adequate;

4. procedures performed appeared adequate to test the above listed items and accounts;
5. the working papers supported the conclusions drawn;
6. prior audit findings were followed up; and
7. findings were presented in the internal audit reports.

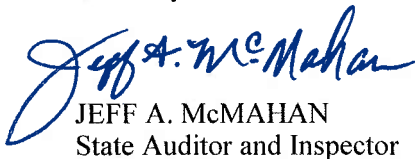
There were no findings noted as a result of applying these procedures.

We were not engaged to, and did not, conduct an examination or a review, the objective of which would be the expression of an opinion or limited assurance on the work performed by internal audit. Accordingly, we do not express such an opinion or limited assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of the Department of Corrections and is not intended to be and should not be used by anyone other than these specified parties.

However, the Oklahoma Open Records Act states that all records of public bodies and public officials shall be open to any person, except as specifically exempted. The purpose of this Act is to ensure and facilitate the public's right of access to and review of government records so they may efficiently and intelligently exercise their inherent political power. Therefore, this report is a matter of public record and its distribution is in no way limited or restricted.

Sincerely,



JEFF A. McMAHAN
State Auditor and Inspector

April 27, 2005

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