



STATE OF OKLAHOMA
OFFICE OF THE STATE AUDITOR & INSPECTOR

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DEPARTMENT OF HUMAN SERVICES

*REPORT ON AGENCY SPECIAL ACCOUNTS
JULY 1, 2002 THROUGH JUNE 30, 2004*



JEFF A. MCMAHAN, CFE
Oklahoma State Auditor & Inspector

Department of Human Services
Report on Agreed-Upon Procedures performed on
Agency Special Accounts
For the Periods
July 1, 2002 to June 30, 2004

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

TO THE COMMISSION FOR HUMAN SERVICES

Transmitted herewith is the report for the Department of Human Services' Agency Special Accounts for the period of July 1, 2002 through June 30, 2004. The procedures we performed were conducted pursuant to our responsibility under 74 O.S. §226.

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

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

Sincerely,

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

JEFF A. McMAHAN
State Auditor and Inspector



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JEFF A. McMAHAN
State Auditor and Inspector

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

We have performed the procedures enumerated below, which were agreed to by management of the Department of Human Services (DHS), solely to assist you in evaluating your internal controls over the receipt and disbursement process relating to Agency Special Accounts (ASA) and in determining whether selected ASA receipts and ASA disbursements are supported by underlying records for the period July 1, 2002 through June 30, 2004. This agreed-upon procedures engagement was conducted in accordance with 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.

Agency Special Accounts 1830A, 1830E, 1830H, 1830L, 1830U, 1830G

1. We performed procedures over the receipts and disbursements with respect to internal controls in the following areas:
 - Accounting functions were properly segregated;
 - Deposit slips and advice cards were submitted by the institutions and/or local offices;
 - Receipts not deposited were safeguarded by the DHS Office of Finance;
 - Receipts and disbursements were reconciled to Office of State Treasurer and Office of State Finance records;
 - Disbursements were supported by appropriate documentation such as an original invoice.

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

2. We selected 107 deposits from fiscal year 2003 and 123 deposits from fiscal year 2004 and:
 - Examined receipts to determine if they were properly posted to the agency's accounting records.
 - Compared the nature of the receipt to the ASA purpose to determine consistency.

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

3. We selected 155 disbursement vouchers from fiscal year 2003 and 169 disbursements from fiscal year 2004 and:
 - Determined that the ASA voucher was supported by an original invoice;
 - Agreed the ASA voucher amount to the invoice amount;

- Compared the nature of the purchase to the ASA purpose to determine consistency

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

Agency Special Account 1830F

For the period July 2002 through October 2003:

4. We determined that the investments for each month were properly documented by observing the State Treasurer's Office Monthly Activity Statement;
5. We examined the State Treasurer's Office deposit slip to ensure each month's interest was properly posted to Account 1830F.

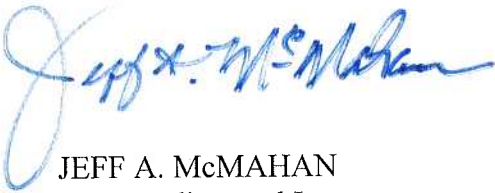
For the period November 2003 through November 2004:

6. We determined that the investments for each month were properly documented by observing the DHS-CSED Detail Report;
7. We examined the DHS-CSED Detail Report to determine that each month's interest was properly posted to Account 1830F;
8. We recalculated the interest earned and agreed the result to the amount posted.

There were no findings noted as a result of applying the 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 cash, receipts, and disbursements for the agency. 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 DHS and should not be used for any other purpose. This report is also a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.), and shall be open to any person for inspection and copying.



JEFF A. McMAHAN
State Auditor and Inspector

January 24, 2006



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