



STATE OF OKLAHOMA
OFFICE OF THE STATE AUDITOR & INSPECTOR

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**COMMISSION ON
CHILDREN AND YOUTH**

JULY 1, 2003 THROUGH JUNE 30, 2004



JEFF A. MCMAHAN, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

Commission on Children and Youth
Statutory Examination Report
For the Period July 1, 2003 to June 30, 2004

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

June 1, 2005

TO THE MEMBERS OF THE COMMISSION ON CHILDREN AND YOUTH

Transmitted herewith is the Statutory Examination Report for Commission on Children & Youth. The procedures we performed were conducted pursuant to 74 O.S. §212.

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,


JEFF A. McMAHAN
State Auditor and Inspector

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Background

The mission of the Commission on Children and Youth is to serve the citizens of Oklahoma by leading the process of continually improving services and supports for Oklahoma's children and families through partnerships with communities, ongoing independent assessment and monitoring of the needs and services for children and families, and facilitating the development of a plan and supporting implementation of a comprehensive and integrated system of care for children and families in Oklahoma.

Commission Members

| | |
|---|------------|
| BART BOUSE | CHAIR |
| DARLENE CALLAHAN | VICE CHAIR |
| TAMMY JO BACHMAN | MEMBER |
| BEN LORING..... | MEMBER |
| THE HONORABLE GLENN DALE CARTER..... | MEMBER |
| DR. TERRY CLINE | MEMBER |
| DR. JAMES MICHAEL CRUTCHER | MEMBER |
| RICHARD DELAUGHTER..... | MEMBER |
| DANIEL DIRK | MEMBER |
| MIKE FOGARTY..... | MEMBER |
| SANDY GARRETT | MEMBER |
| HOWARD HENDRICK | MEMBER |
| JOHN LINEHAN | MEMBER |
| THE HONORABLE JOSEPH P. MARAK, JR. | MEMBER |
| CYNTHIA CROWE MEYERSON | MEMBER |
| LINDA S. PARKER | MEMBER |
| ANN TAYLOR..... | MEMBER |
| BRENT THACKERSON..... | MEMBER |
| JAN TIPTON..... | MEMBER |

Key Staff

| | |
|----------------------|--------------------|
| JANICE HENDRYX | DIRECTOR |
| LISA SMITH | ASSISTANT DIRECTOR |
| DIANE LEWIS | BUDGET ANALYST |



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

TO THE MEMBERS OF THE COMMISSION ON CHILDREN AND YOUTH

For the purpose of complying with 74 O.S. § 212, we have performed the following procedures for the fiscal year 2004:

1. We reviewed internal controls over cash, receipts, and disbursements.
2. We tested a sample of deposits to determine they were properly posted to the financial records and had adequate supporting documentation.
3. We tested a sample of disbursements to determine they were properly posted to the financial records and had adequate supporting documentation.
4. We performed analytical procedures to test the reasonableness of payroll disbursements;

We also prepared a Schedule of Receipts, Disbursements and Changes in Cash from information obtained from the statewide CORE accounting system. This schedule has been included for informational purposes only.

Our procedures were limited to those defined above and were less in scope than would be necessary to express an opinion on any of the items referred to above or to express an opinion on the effectiveness of Commission on Children & Youth's internal control or any part thereof. Accordingly, we do not express such opinions. Alternatively, we have identified the procedures we performed and the findings resulting from those procedures.

Sincerely,

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

JEFF A. McMAHAN
State Auditor and Inspector

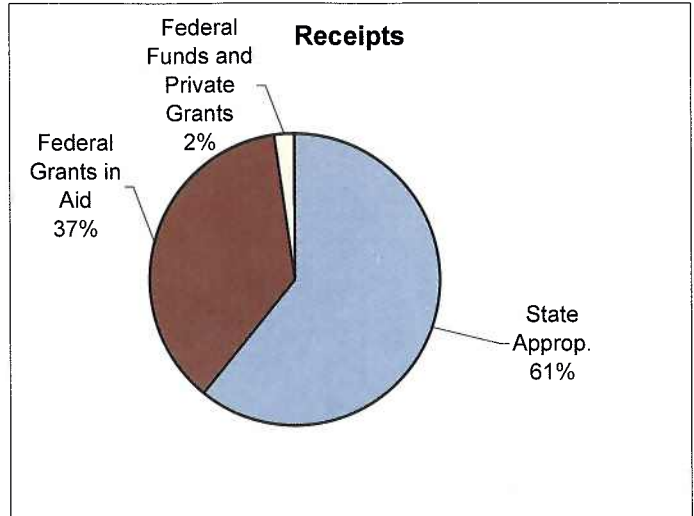
May 17, 2005

COMMISSION ON CHILDREN AND YOUTH

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH FOR THE YEAR ENDED JUNE 30, 2004

RECEIPTS:

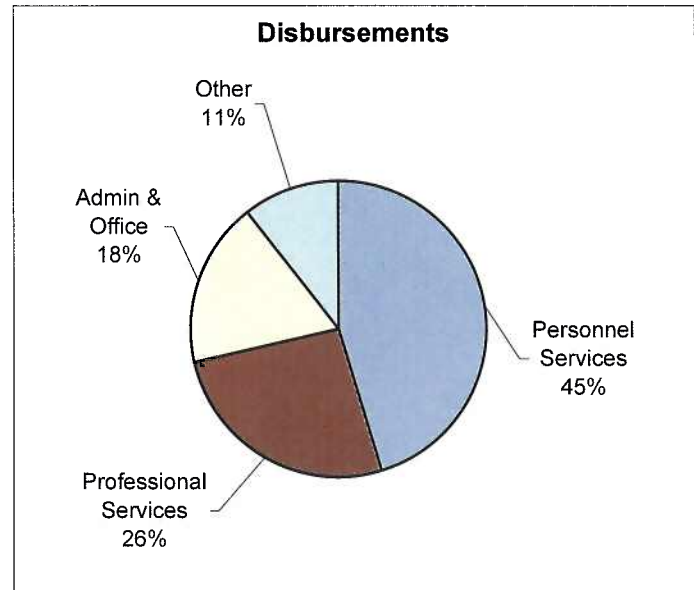
| | |
|---|-------------|
| State Appropriations | \$1,489,978 |
| Federal Grants in Aid | 904,566 |
| Federal Funds from Other State Agencies | 47,613 |
| Private Grants & Donations | 9,260 |
| Total Receipts | \$2,451,417 |



DISBURSEMENTS:

| | |
|---------------------------------|-------------|
| Personnel Services | \$1,048,533 |
| Professional Services | 609,241 |
| Misc. Administrative Expenses | 237,196 |
| Office Furniture & Equipment | 184,856 |
| Rent Expense | 74,397 |
| Program Reimb, Litigation Costs | 71,112 |
| Travel | 46,965 |
| Pmts - Local Gov't, Non-Profits | 29,791 |
| Other | 20,328 |

Total Disbursements \$2,322,419



**RECEIPTS OVER (UNDER)
DISBURSEMENTS**

128,998

CASH - Beginning of year

912,786

CASH - End of year

\$1,041,784

Findings/Recommendations

Finding #1

During our review of internal controls over cash receipts, we noted the person responsible for collecting cash/checks and depositing the funds (custody functions), is the same person who reconciles the account monthly (recordkeeping function). If duties are not adequately segregated, errors and irregularities may occur and not be detected in a timely manner. To prevent this from occurring, we recommend the agency implement procedures to ensure duties are properly segregated.

Management's Response:

OCCY will segregate duties related to receipt of checks. The Executive Secretary will receive the checks, prepare a receipt, and prepare and make the deposit to the bank. The Administrative Assistant will enter the receipt of the checks into the statewide CORE PeopleSoft accounting system and agency accounting spreadsheet. The Finance Officer will reconcile the agency accounting spreadsheet to the statewide CORE PeopleSoft accounting system.

Finding #2

During our review of internal controls over cash receipts, we noted that checks are not immediately endorsed upon receipt by the individual who opens the mail. However, according to 62 O.S. § 7.1C2c, "All checks received must be restrictively endorsed immediately upon receipt. Therefore, we recommend the agency give the responsibility of endorsing checks to the individual who opens the mail to ensure compliance with 62 O.S. § 7.1C2c.

Management's Response:

OCCY will implement procedures to ensure checks are restrictively endorsed by the employee opening the envelope containing the check.



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