



STATE OF OKLAHOMA
OFFICE OF THE STATE AUDITOR & INSPECTOR

S
T
A
T
U
T
O
R
Y
E
X
A
M
I
N
A
T
I
O
N

**BOARD OF EXAMINERS FOR
NURSING HOME
ADMINISTRATORS**

JULY 1, 2003 THROUGH JUNE 30, 2004



JEFF A. McMAHAN, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

**Board of Examiners for Nursing Home Administrators
Statutory Examination Report
For the Period July 1, 2003 to June 30, 2004**

This publication is printed and issued by the State Auditor and Inspector, as required by 74 O.S. §212. Pursuant to 74 O.S. §3105, 5 copies have been prepared and distributed at a cost of \$4.35. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

May 5, 2005

**TO THE BOARD OF DIRECTORS OF THE BOARD OF EXAMINERS FOR
NURSING HOME ADMINISTRATORS**

Transmitted herewith is the Statutory Examination Report for the Board of Examiners for Nursing Home Administrators. 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,

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

JEFF A. McMAHAN
State Auditor and Inspector

Table of Contents

Background, Board Members and Key Staff..... ii

Report of the State Auditor and Inspector 1

Statement of Receipts, Disbursements and Changes in Cash.....2

Findings/Recommendations3

Other Information.....4

Background

The mission of the Board of Examiners of Nursing Home Administrators is to assure quality care for residents of Oklahoma nursing homes by licensing competent and well qualified nursing home administrators, and by maintaining continued competency of these administrators by approving and/or providing high quality continuing educational programs.

Board Members

STEPHEN DUDLEY.....	PRESIDENT
CAREY GARLAND.....	VICE-PRESIDENT
JUDY CRANE, NHA.....	SECRETARY-TREASURER
JOHN BELZER, PHD.....	MEMBER
NANCY ATKINSON.....	MEMBER
TOM COBLE, NHA.....	MEMBER
JIM HUFF, D.PH.....	MEMBER
NANCY HARDEMAN, NHA.....	MEMBER
ED GLINSKI, DO, MBA.....	MEMBER
ROWENA SCOTT-JOHNSON.....	MEMBER
HAWKINS ADAMS, MD.....	MEMBER
RUSSEL WILSIE, NHA.....	MEMBER
MARIE BERNARD, M.D.....	MEMBER
DR. GARY PORTER, NHA.....	MEMBER
KELLY HARDIN, NHA.....	MEMBER

Key Staff

H.E. HENDRIX.....	EXECUTIVE DIRECTOR
JEANNIE CLARK.....	ADMINISTRATIVE ASSISTANT II
PAM DUREN.....	ADMINISTRATIVE ASSISTANT II



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

**TO THE BOARD OF DIRECTORS FOR THE BOARD OF EXAMINERS FOR
NURSING HOME ADMINISTRATORS**

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;
5. We performed procedures to ensure capital assets were present and properly recorded in the financial records;

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 the Board of Examiners for Nursing Home Administrator'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. McMahon".

JEFF A. McMAHAN
State Auditor and Inspector

April 29, 2005

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

RECEIPTS:

Licenses & Fees	147,952
Merchandise Sales	14,817
Total Receipts	162,769

DISBURSEMENTS:

Personnel Services	145,304
Misc. Admin. Expenses	13,688
Rent Expense	12,693
Travel	9,502
Other	4,431
Total Disbursements	185,618

**RECEIPTS OVER (UNDER)
 DISBURSEMENTS**

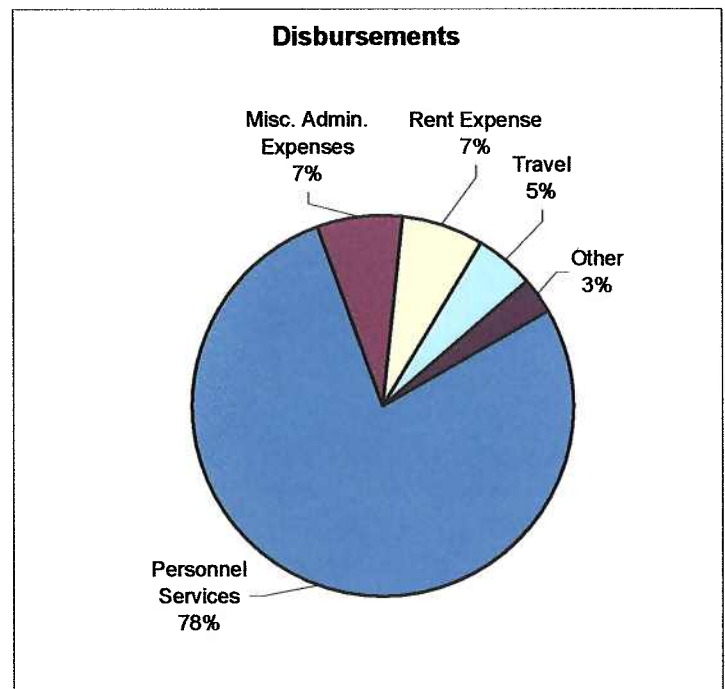
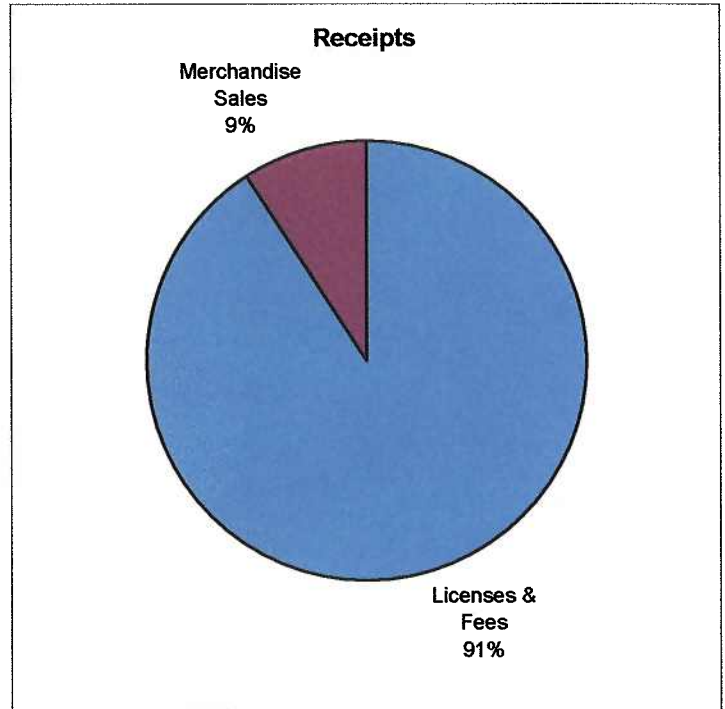
(22,849)

CASH - Beginning of year

186,174

CASH - End of year

163,325



Findings/Recommendations

Finding

During our review of internal controls over cash receipts, we noted that the agency judgmentally determines when receipt amounts are sufficient for deposit. Additionally, during our test of twenty deposits, we noted that five deposits consisted of receipts greater than one hundred dollars, which were not deposited on the same day received, and receipts of less than one hundred dollars that were accumulated in excess of five days. The agency does safeguard funds in a locked cabinet between the time of receipt and the time of deposit. However, according to 62 O.S. 2001 § 7.1C, receipts of One Hundred Dollars (\$100.00) or more shall be deposited on the same banking day as received and receipts of less than One Hundred Dollars (\$100.00) may be held until accumulated receipts equal One Hundred Dollars (\$100.00) or for five (5) business days, whichever occurs first, and shall then be deposited no later than the next business day. Therefore, we recommend the agency implement procedures to ensure compliance with 62 O.S. 2001 § 7.1C.

Management's Response:

We acknowledge and accept the finding relating to deposits and will strictly adhere to the following:

OSBENHA will comply with 62 O.S. 2001 § 7.1C whereby receipts of one hundred dollars (\$100.00) or more shall be deposited on the same banking day as received and receipts of less than one hundred dollars (\$100.00) be held until accumulated receipts equal one hundred dollars (\$100.00) or for five (5) business days, whichever occurs first, and shall there be deposited no later than the next business day.

Other Information

Clearing Account

The Board of Examiners for Nursing Home Administrators maintains a clearing account to deposit revenues collected on a daily basis. All items deposited into the clearing account are held there until such items have been honored by the paying entity. Once these items have been honored, the revenues are transferred for deposit into the agency's operating fund(s). The agency's clearing account had a cash balance of \$7,395 at June 30, 2004. As of this date, this amount had not yet been deposited into the agency's operating fund(s) and is not considered to be available to fund the agency's general operations. As a result, the clearing account's cash balance, revenues, and disbursements are not included in the accompanying Schedule of Receipts, Disbursements, and Changes in Cash Balance.

Capital Assets

In accordance with 74 O.S. § 110.1 and 110.2 , all state agencies, board, and commissions are to keep an inventory of capital assets costing in excess of \$500. Capital assets include buildings and equipment owned by the agency. As of June 30, 2004, the Board of Examiners for Nursing Home Administrators had approximately \$6,505 in capital assets as follows:

Computers and related equipment	\$5,470
Furniture	1,035

Significant Payables, Contracts, and Commitments

As of June 30, 2004, the Board of Examiners for Nursing Home Administrators had the following significant payables, contracts, and commitments:

\$ 3,064 payable to Ricoh Co. for the lease of copying machine equipment
\$ 9,236 contract with Titian Financial LLC for the lease of office space

Payments to the State General Revenue Fund

In accordance with 62 O.S. § 211, the Board of Examiners for Nursing Home Administrators shall remit 10% of all license and fee revenues received to the State of Oklahoma General Revenue Fund. During fiscal year 2004, the agency submitted \$18,084 to the State's General Revenue Fund. As previously discussed, the agency maintains a clearing account in which receipts are deposited. When the required deposit of monies is made to the State's General Revenue Fund, it is made directly from the agency's clearing account. As a result, these receipts and disbursements are not included in the accompanying Schedule of Receipts, Disbursements, and Changes in Cash.

OFFICE OF THE STATE AUDITOR & INSPECTOR
2300 NORTH LINCOLN BOULEVARD, ROOM 100
OKLAHOMA CITY, OKLAHOMA 73105-4896
405-521-3495

WWW.SAL.STATE.OK.US