STATE BUREAU OF INVESTIGATION
JULY 1, 2003 THROUGH JUNE 30, 2004

JEFF A. McMahan, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR
State Bureau of Investigation
Statutory Examination Report
For the Period July 1, 2003 to June 30, 2004
May 5, 2005

TO THE BOARD OF DIRECTORS OF THE STATE BUREAU OF INVESTIGATION

Transmitted herewith is the Statutory Examination Report for the State Bureau of Investigation. 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
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
Other Information ........................................................................................................... 3
Background

The mission of the State Bureau of Investigation is to provide exceptional investigative, laboratory and information services to the criminal justice community through our statutory requestors, while providing outstanding customer service to the general public.

Board Members

TED FARISS..........................................................................................................................CHAIR
STANLEY GLANZ............................................................................................................ VICE CHAIR
MICKEY PERRY ..................................................................................................................MEMBER
ANNE HOLZBEIERLEIN ....................................................................................................MEMBER
RUSTY NOBLE ..................................................................................................................MEMBER
ROB HUDSON ..................................................................................................................MEMBER
DON HUMPHREYS ..........................................................................................................MEMBER

Key Staff

A. DEWADE LANGLEY........................................................................................................ DIRECTOR
THOMAS D. JORDAN .........................................................................................................DEPUTY DIRECTOR
GLENDA FOGLEMAN....................................................................................................... DIVISION DIRECTOR
TO THE BOARD OF DIRECTORS OF THE STATE BUREAU OF INVESTIGATION

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, revenues and expenditures.
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 the State Bureau of Investigation’s internal control or any part thereof. Accordingly, we do not express such opinions. Alternatively, we have identified the procedures we performed. There were no findings resulting from these procedures.

Sincerely,

JEFF A. McMAHAN
State Auditor and Inspector

April 19, 2005
STATE BUREAU OF INVESTIGATION

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

RECEIPTS:
Fees 12,907,782
Transfers In 10,327,956
Federal Revenues 2,194,165
Court Awarded Judgments 150,000
Other 62,449

Total Receipts 25,642,352

DISBURSEMENTS:
Salary Expense 16,075,718
Office Furniture & Equipment 3,303,292
Misc. Administrative Expenses 1,597,528
Appropriated Transfers Out 766,276
Maintenance & Repair Expense 765,111
Shop Expense 660,292
Professional Services 605,383
Rent Expense 434,571
Buildings-Purch., Constr, Renov. 336,596
Travel 205,269
General Operating Expenses 189,639
Specialized Sup & Mat. Expense 169,792
Other 139,802

Total Disbursements 25,249,269

RECEIPTS OVER (UNDER) DISBURSEMENTS 393,083

CASH - Beginning of year 4,508,580

CASH - End of year 4,901,663
Other Information

Clearing Account

The State Bureau of Investigation 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 $70,275 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.

Payments to the State General Revenue Fund

In accordance with 62 § 211, the State Bureau of Investigation 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 $322,810 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.