



Agreed-Upon Procedures Report

COUNCIL ON JUDICIAL COMPLAINTS

July 1, 2005 Through
December 31, 2006



Office of the Oklahoma State Auditor and Inspector
Jeff A. McMahan, CFE

COUNCIL ON JUDICIAL COMPLAINTS

Agreed-upon Procedures Report

**For the Period
July 1, 2005 through December 31, 2006**



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Jeff A. McMahan
State Auditor and Inspector

April 20, 2007

TO THE COUNCIL ON JUDICIAL COMPLAINTS

Transmitted herewith is the agreed-upon procedures report for the Council on Judicial Complaints. The Office of the State Auditor and Inspector is committed to serving 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, reading "Jeff A. McMahan".

JEFF A. McMAHAN
State Auditor and Inspector

Mission Statement

To efficiently and impartially investigate complaints regarding the conduct of persons holding judicial position and to determine if such complaints should be the subjects of an action before the Court of the Judiciary, warrant a reprimand or admonition, or should be dismissed.

Council Members

Gary C. Clark.....	Member
Jeffery Jenson	Member
Lloyd E. Cole, Jr.....	Member

Key Staff

Eric B. Mitts	Director
Laurie Kensil	Principal Assistant



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

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 Council on Judicial Complaints, solely to assist you in evaluating your internal controls over the disbursement process, and in determining whether selected disbursements are supported by underlying records for the period July 1, 2005 through December 31, 2006. 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.

1. We compared the Council on Judicial Complaints' internal controls over disbursements with the following criteria:
 - Accounting duties were segregated by functions into those who initiate or authorize transactions; those who execute transactions; and those who have responsibility for the asset, liability, expenditure, or revenue resulting from the transaction;
 - Disbursements were reconciled to Office of State Treasurer and Office of State Finance records;
 - Disbursements were supported by an original invoice;
 - Timesheets were prepared by employees and approved by supervisory personnel.

During our comparison of Office of State Finance (OSF) CORE PeopleSoft system access authorization role descriptions for Financials, Budgeting and HRMS, we found roles within the CORE PeopleSoft system that were not segregated. Segregation of duties is a basic control that prevents or detects errors, improprieties, and fraud.

We recommend management be aware of this condition and realize the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. Under these conditions, the most effective controls lie in management's knowledge of office operations and periodic review of operations.

Management Response

Management will review the access rights/PeopleSoft roles on an ongoing basis to ensure that roles will be segregated to the extent possible within the constraints of the size of the agency (2 employees). Mitigating controls will be implemented when possible.

With respect to the other procedures applied, there were no findings.

2. We randomly selected forty (40) vouchers and:
 - Compared the voucher amount and payee to the invoice amount and payee;

- Compared the voucher amount and payee to the CORE system;
- Compared the fund type to which the disbursement was charged in CORE to the CAFR fund type listing for consistency;
- Compared the nature of the purchase to the account code description to determine consistency.

During our inspection of 40 claims, we noted 3 claims were processed using an incorrect account code.

- ❖ The agency used account code #536130 (Office Supplies Non-Expendable) for Voucher #385 to Office Depot Inc for a USB cable in the amount of \$57.98 and a laser fax and toner in the amounts of \$199.99 and \$50.99, respectively. The nature of the \$50.99 expenditure is expendable and should have been coded to account code #536140 (Office Supplies - Expendable).
- ❖ The agency used account code #515060 (Accounting, Tax Preparation, Bookkeeping, Payroll Services) for Voucher #417 to Office of State Finance for transaction fees in the amount of \$22.45. The nature of the expenditure is State Enterprise Resources Planning System services and should have been coded to account code #531230 (ERP System Services).
- ❖ The agency used account code #531410 (Tuition – Trade/Vo-Tech Schools and Other Training Centers) for Voucher #425 to Oklahoma Society of CPM for registration for an OSCPM educational conference in the amount of \$85.00. The nature of the expenditure is registration fees for an employee to attend a conference and it should have been coded to account code #522150 (Registration – Agency Direct).

An objective of having an effective system of internal control is to provide accurate and reliable information. We recommend the agency use accounts that better describe the expenditure being posted.

Management Response

The agency will review account codes to ensure that purchases and transactions are accurately described.

With respect to the other procedures applied, there were no findings.

3. We randomly selected one (1) employee from the *December 2006* payroll and agreed the amount paid to the “Request for Personnel Action” (OPM-14) or equivalent form that was in effect for *December 2006*.

There were no findings 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 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 Council on Judicial Complaints 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

April 16, 2007



Office of the State Auditor and Inspector
2300 N. Lincoln Boulevard, Room 100
Oklahoma City, OK 73105-4896

www.sai.state.ok.us