



OKLAHOMA OFFICE OF DISABILITY CONCERNS

Operational Audit

For the Period of January 1, 2016 through June 30, 2021

Cindy Byrd, CPA
State Auditor & Inspector

**Audit Report of the
Oklahoma Office of Disability Concerns**

**For the Period
January 1, 2016 through June 30, 2021**



Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov

January 11, 2022

TO THE OKLAHOMA OFFICE OF DISABILITY CONCERNS

We present the audit report of the Oklahoma Office of Disability Concerns for the period January 1, 2016 through June 30, 2021. The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during our engagement.

This report is 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.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



**Oklahoma Office of Disability Concerns
Operational Audit**

Background

The Office of Disability Concerns (the Agency or ODC) was formed in 1980 as referenced in Title 74, Sections 9.21-9.35 of the Oklahoma Statutes. The Agency does not have a governing board but is served by two advisory committees with separate functions. These committees are the Governor’s Committee on Employment of People with Disabilities and the Governor’s Advisory Committee to the Office of Disability Concerns.

The ODC acts as a clearinghouse of information and technical assistance on state and federal laws affecting individuals with disabilities, businesses and other government entities, agencies, and groups. Staff members of ODC serve on a variety of state and local boards, committees, and working groups which all have a common goal of seeking ways to improve the lives of Oklahomans with disabilities. They act as a liaison between the disability community and the government to answer questions, coordinate available services, and provide mechanisms to establish constructive communication. To further advocate for individuals with disabilities during their efforts to achieve employment, they also act as the Client Assistant Program to the Department of Rehabilitation Services.

The following table summarizes the Agency’s sources and uses of funds for fiscal years 2020 and 2021 (July 1, 2019 through June 30, 2021).

Sources and Uses of Funds for FY 2020 and FY 2021

	2020	2021
Sources:		
Appropriations	\$ 282,821	\$ 314,858
Federal Grants and Other Sources	137,755	135,306
Total Sources	\$ 420,576	\$ 450,164
Uses:		
Personnel Services	\$ 380,143	\$ 376,373
Professional Services	28,051	23,413
Administrative and Other Expenses	26,497	20,614
Total Uses	\$ 434,691	\$ 420,400

Source: Oklahoma statewide accounting system (unaudited, for informational purposes only)

**Scope and
Methodology**

Our audit was conducted in response to 74 O.S. § 212, which requires the State Auditor and Inspector’s office to audit the books and accounts of all state agencies whose duty it is to collect, disburse, or manage funds of the state.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessment of materiality and risk for the period January 1, 2016 through June 30, 2021. To assess risk and develop our audit objective, we held discussions with management and performed data analysis and prior audit follow-up. These procedures included:

- Reviewing revenue, expenditure, and asset-related data from the Statewide Accounting System and gathering information from Agency personnel to assess the related financial processes and trends for any notable risks.
- Analyzing top vendors and expenditures by dollar amount and reviewing a selection of miscellaneous expenditures in detail.
- Reviewing the Agency’s HR All Actions Report from the Statewide Accounting System to assess personnel changes that had a financial impact during the audit period.

One objective regarding expenditures was developed, as discussed in the next section. No other significant risks or findings were identified as a result of these procedures.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, errors or fraud may occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Internal Control Considerations

The Government Accountability Office (GAO) emphasizes the importance of internal controls at all levels of government entities. Their *Standards for Internal Control*¹ outline the five overarching components of internal control: the control environment, risk assessment, information and communication, monitoring, and detailed control activities. Any

¹ *Standards for Internal Control in the Federal Government*, or the “Green Book,” sets standards and the overall framework for an effective internal control system in federal agencies and is treated as best practices for other levels of government. Last update 2014, accessible online at <https://www.gao.gov/products/GAO-14-704G>.

component considered significant to our audit objectives is assessed during our procedures and included as appropriate in this report.

The *Standards for Internal Control* underscore that an internal control system is effective only when the five components of internal control are operating together in an integrated manner. They also stress that documentation is a necessary part of an effective internal control system and is required to demonstrate its design, implementation, and operating effectiveness.

OBJECTIVE I Determine whether the Agency's non-payroll expenditures were independently reviewed and approved in line with GAO *Standards for Internal Control*.

Conclusion We determined that the Agency's non-payroll expenditures were independently reviewed and approved in line with GAO *Standards for Internal Control*.

Objective Methodology To accomplish our objective, we performed the following:

- Documented our understanding of the expenditure processes through discussion with management and review of documentation.
- Evaluated those processes and identified and assessed significant internal controls related to our objective.

The Agency implemented a documented review of the 6-Digit Detailed Expenditure Report by the Advisory Committee after they received our recommendation in the previous audit. This change did not take effect until January 2018. The Advisory Committee meets every quarter and the line-item detailed expenditure report for the three months prior to the end of the quarter are reviewed. We tested this control as follows:

- Reviewed all quarterly financial reports for the period December 2017 through May 2021. Each set of reports included a line-item detailed expenditure report for each month in the quarter that was reviewed by the Advisory Committee.
- Reviewed all of the quarterly memos for meetings that occurred during the time period of January 2018 through June 2021. Each memo stated that the Advisory Committee reviewed the financial reports and was signed by the Advisory Committee Chairman.

No findings were identified as a result of the procedures performed.

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