



STATE OF OKLAHOMA
OFFICE OF THE STATE AUDITOR & INSPECTOR

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**OFFICE OF HANDICAPPED
CONCERNS**

JULY 1, 2003 THROUGH JUNE 30, 2004



JEFF A. McMAHAN, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

Office of Handicapped Concerns
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 24, 2005

TO THE ADVISORY COMMITTEE OF THE OFFICE OF HANDICAPPED CONCERNS

Transmitted herewith is the Statutory Examination Report for the Office of Handicapped Concerns. 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 Office of Handicapped Concerns is to provide accurate and timely information, technical assistance, referral, and advocacy. The Office acts as an intermediary for persons with disabilities and provides services to those with disabilities.

Advisory Committee

Per 74 O.S. § 9.26, “The Governor’s Advisory Committee to the Office of Handicapped Concerns shall be composed of forty (40) members who shall be appointed by the Governor. Such members shall serve at the pleasure of the Governor. Twenty of such members shall be people with disabilities or the parents of people with disabilities...”

Key Staff

STEVEN STOKES..... DIRECTOR
DALENE BARTON.....OFFICE MANAGER



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

TO THE ADVISORY COMMITTEE OF THE OFFICE OF HANDICAPPED CONCERNS

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 the Office of Handicapped Concern's internal control or any part thereof. Accordingly, we do not express such opinions. Alternatively, we have identified the procedures we performed and the finding resulting from those procedures.

Sincerely,

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

JEFF A. McMAHAN
State Auditor and Inspector

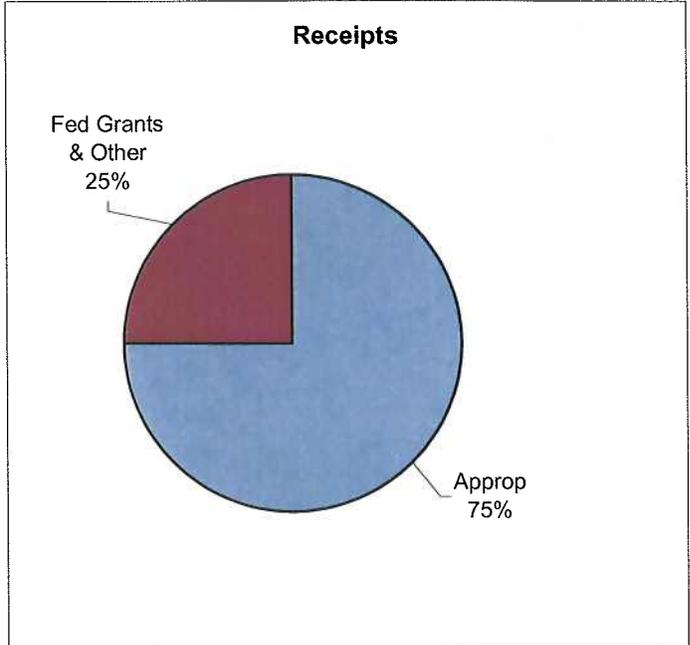
June 6, 2005

Office of Handicapped Concerns

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

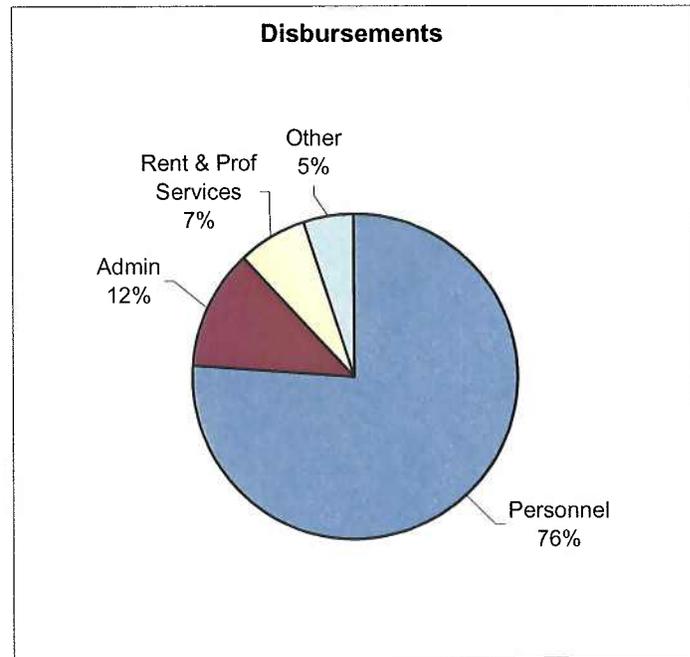
RECEIPTS:

Appropriations	360,240
Federal Grants	119,000
Other	362
Total Receipts	479,602



DISBURSEMENTS:

Personnel	366,906
Misc. Administration	57,381
Rent	26,303
Professional Services	10,115
Office Furniture & Equipment	9,334
Travel	6,035
Maintenance & Repair	4,762
General Operating & Other	4,677
Total Disbursements	485,513



**RECEIPTS OVER (UNDER)
DISBURSEMENTS**

(5,911)

CASH - Beginning of year 34,193

CASH - End of year 28,282

Findings/Recommendations

Finding #1

During our review of internal controls over disbursements, we noted the person responsible for preparing expenditure claims and posting to the financial system (recordkeeping functions), is the same person who is responsible for approving claims (authorization function). The agency does have a procedure in place for someone, other than the preparer of the claim, to review and approve the invoice as items are received. However, 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 expenditure claims are approved by the person who approves the invoices.

Management's Response:

We believe that we have it separated sufficiently considering that the Director signs the requisition, invoice and monthly balance sheet. There is also a cross check of the claim/invoice/check when the warrant is received and mailed out by the Administrative Assistant.

However, if the auditor's office feels that the Director must also sign the claim as well, so shall it be done.

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