



OKLAHOMA INDIGENT DEFENSE SYSTEM BOARD

Operational Audit

For the period January 1, 2018 through June 30, 2021

Cindy Byrd, CPA
State Auditor & Inspector

**Audit Report of the
Oklahoma Indigent Defense System**

**For the Period
January 1, 2018 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

April 18, 2022

TO THE OKLAHOMA INDIGENT DEFENSE SYSTEM BOARD

We present the audit report of the Oklahoma Indigent Defense System for the period January 1, 2018 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". The signature is fluid and cursive, with the first letters of the first and last names being capitalized.

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



Oklahoma Indigent Defense System Operational Audit

Background

The Oklahoma Indigent Defense System (the Agency) implements the Indigent Defense Act, 22 O.S. Section 1355 et seq., by providing indigents with legal representation comparable to that obtainable by those who can afford counsel and in the most cost-effective manner possible. The Oklahoma Indigent Defense System is responsible for providing trial, appellate, and post-conviction criminal defense services to persons judicially determined to be entitled to legal counsel at state expense.

Five board members (the Board), appointed by the governor, oversee the Agency; three members must be attorneys with criminal defense experience who are licensed to practice law in the State. Each Board member serves a term of five years.

Board members as of March 2022 are:

Jake Jones, III, Esq.	Chair
Don G. Pope, Esq.	Vice Chair
Robert J. Carlson, Esq.	Member
Patrick E. Moore, Esq.	Member
Robert R. Redwine, Esq.	Member

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:		
Net Appropriations	\$ 18,237,878	\$ 17,507,313
Other Revenues	1,050,739	1,197,459
Total Sources	\$ 19,288,617	\$ 18,704,772
Uses:		
Personnel Services	\$ 10,450,862	\$ 10,199,665
Professional Services	7,096,186	7,227,418
Administrative Expenses	700,784	892,252
Travel	118,283	42,574
Other Uses	39,331	49,621
Total Uses	\$ 18,405,446	\$ 18,411,530

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, 2018 through June 30, 2021. To assess risk and develop our audit objective, we held discussions with management, distributed surveys to the Agency's personnel, and performed data analysis. 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.
- 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.
- Reviewing statutes and administrative codes pertaining to the Agency.

One objective was developed as a result of the procedures performed, as discussed in the body of the report. No other significant risks or findings were identified.

We utilized sampling of transactions to achieve our objectives. To ensure the samples were representative of the population and provided sufficient, appropriate evidence, the random sample methodology was used. We identified specific attributes for testing each of the samples and when appropriate, we projected our results to the population.

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 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.

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>.

OBJECTIVE	Determine whether non-payroll expenditures were independently reviewed and approved in line with the previous audit recommendation and GAO <i>Standards for Internal Control</i>
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Conclusion The Agency's non-payroll expenditures were independently reviewed and approved in line with the previous audit recommendation and GAO *Standards for Internal Control*.

To accomplish our objectives, we performed the following:

- Documented significant internal controls and process factors related to non-payroll expenditures and identified significant controls.
- Tested those controls, which included reviewing 7 quarterly expenditure review reports (53.8% of the 13 quarterly expenditure review reports in the audit period population); agreeing them to detailed expenditure data from the statewide accounting system to ensure they were complete; and ensuring they were signature approved by the director and board chair.

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



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