



**STATE OF OKLAHOMA**  
**OFFICE OF THE STATE AUDITOR & INSPECTOR**

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**BOARD OF MEDICOLEGAL  
INVESTIGATIONS**

*REPORT ON AGREED-UPON PROCEDURES*

*JULY 1, 2004 TO DECEMBER 31, 2005*



**JEFF A. McMAHAN, CFE**  
**OKLAHOMA STATE AUDITOR & INSPECTOR**

**Board of Medicolegal Investigations**

**Agreed-upon Procedures Report**

**For the Period**  
**July 1, 2004 to December 31, 2005**



STATE OF OKLAHOMA  
OFFICE OF THE AUDITOR AND INSPECTOR

Jeff A. McMahan  
State Auditor and Inspector

June 15, 2006


**TO THE BOARD OF MEDICOLEGAL INVESTIGATIONS**

Transmitted herewith is the agreed-upon procedures report for the Board of Medicolegal Investigations. The procedures we performed were conducted pursuant to 74 O.S., §212.

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,

  
JEFF A. McMAHAN  
State Auditor and Inspector

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**Mission Statement**

The mission of the Office of the Chief Medical Examiner is to protect the public health and safety of Oklahomans through the scientific investigation of deaths as defined by state statutes. This process involves scene investigation and medicolegal autopsy (including radiology, toxicology, histology, and microbiology) complementing the activities of law enforcement agencies, district attorneys and public health officials.

**Board Members**

Ted W. Violet, M.D.....	Chairman
Jim Cooper.....	Vice-Chairman
Tom Jordan.....	Member
Nancy Hall, Ph.D.....	Member
Michael Crutcher, M.D.....	Member
John Fernandes, D.O. ....	Member
Douglas W. Stewart, D.O., M.P.H.....	Member
Shanda McKenney.....	Member

**Key Staff**

Jeffery J. Gofton, M.D.....	Chief Medical Examiner
Ronald F. Distefano, D.O. ....	Deputy Chief Medical Examiner
Philip M. Kemp, Ph.D. ....	Chief Forensic Toxicologist
Annette Ledgerwood .....	Executive Secretary
Kevin Rowland.....	Chief Investigator
Stephen P. Slater, MBA.....	Director of Budget & Finance



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 Board of Medicolegal Investigations, solely to assist you in evaluating your internal controls over the receipt and disbursement process, the safeguarding of capital assets, and in determining whether selected receipts and disbursements are supported by underlying records for the period from July 1, 2004 to December 31, 2005. 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 Board's internal controls over receipts and disbursements with the following criteria:
  - Accounting functions were properly segregated;
  - Receipts were issued for cash and/or checks received;
  - Incoming checks were restrictively endorsed upon receipt;
  - Receipts not deposited daily were safeguarded;
  - Voided receipts were retained;
  - Receipts and 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;

There were no findings as a result of applying the procedures.

2. We randomly selected 20 deposits and:
  - Compared the Treasurer's deposit date to the agency deposit slip date to determine if dates were within one working day.
  - Examined receipts to determine if they were pre-numbered and issued in numerical order.
  - Agreed cash/check composition of deposits to the receipts issued.
  - Agreed the total receipts issued to the deposit slip.
  - Inspected agency receipts to determine whether receipts of \$100 or more were deposited on the same banking day as received.
  - Inspected agency receipts to determine whether receipts of less than \$100 were deposited on the next business day when accumulated receipts equaled \$100 or after five business days, whichever occurred first.
  - Inspected agency receipts to determine whether receipts were safeguarded.
  - Compared the fund type to which the deposit was posted in CORE to the CAFR fund type listing for consistency;
  - Compared the nature of the deposit to the account code description to determine consistency.

62 O.S. § 7.1c states, “ All such monies collected pursuant to this section shall be deposited as follows in the agency clearing account or agency special account established therefore[...]Receipts of One Hundred Dollars (\$100.00) or more shall be deposited on the same banking day as received.” During our examination of the Board’s deposits, we noted 2 deposits of 20 examined included receipts amounting to at least \$100 that were not deposited on the same banking day as received. The Board is not depositing funds within the required time of one business day. We recommend the Board implement policies/procedures requiring all funds be deposited within one business day of being received.

***Views of Responsible Official(s)***

***Contact Person:*** Stephen Slater

***Anticipated Completion Date:*** June 30, 2006

***Corrective Action Planned:*** The Board will implement the policy/procedure that all funds are deposited within one business day of being received.

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

3. We randomly selected 60 vouchers and:
  - Agreed the voucher amount and payee to the invoice amount and payee;
  - Agreed 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.

There were no findings as a result of applying the procedure.

4. We compared salaries set by statute to the actual salary paid to determine the statutory limit was not exceeded.

There were no findings as a result of applying the procedure.

5. We randomly selected 10% of the employees who appeared on the December 2005 payroll but not on the June 2004 payroll and observed the initial “Request for Personnel Action” (OPM-14) or equivalent form to determine it was signed by the appointing authority.

There were no findings as a result of applying the procedure.

6. We randomly selected 10% of the employees who appeared on the June 2004 payroll but not on the December 2005 payroll and:
  - Observed the final “Request for Personnel Action” (OPM-14) or equivalent form to determine it was signed by the appointing authority.
  - Observed the main payroll funding sheet for the month subsequent to termination to determine employee no longer appeared.

There were no findings as a result of applying the procedures.

7. We randomly selected 10% of the employees whose gross salary at December 2005 had increased since June 2004 (excluding legislative pay raises) and observed the “Request for Personnel Action” (OPM-14) or equivalent form to determine it was signed by the appointing authority.

A component objective of an adequate internal control system is to institute authorization procedures that are commensurate with the nature and significance of the transactions. To ensure changes in pay are authorized, documentation regarding that authorization should be obtained and kept with other personnel records. During our examination of the Board’s pay increases, we noted one instance of 5 observed where the Board did not retain authorization documentation for the pay increase of an employee. Because the Board is not retaining appropriate authorization documentation, the Board may not be able to assure that pay rates are accurately being followed. We recommend the Board implement policies and procedures to obtain appropriate authorization documentation and to retain that documentation.

**Views of Responsible Official(s)**

**Contact Person:** Stephen Slater

**Anticipated Completion Date:** June 30, 2006

**Corrective Action Planned:** The Board will implement the policy/procedure that a "Request for Personnel Action" (OPM-14) is used to document all employee pay changes or other personnel actions.

8. We randomly selected 10% (but no more than 20) of the employees from the December 2005 payroll and agreed the amount paid to the "Request for Personnel Action" (OPM-14) or equivalent form that was in effect for December 2005.

There were no findings as a result of applying the procedures.

9. We compared the Board's internal controls over purchase cards with the following criteria:
  - o Purchase card policies and procedures were incorporated into the Board of Medicolegal Investigations' policies and procedures;
  - o Purchase card Administrator, designated back-up Administrator, and Approving Official were established;
  - o Purchase card Administrator, designated back-up Administrator, Approving Official(s), and purchase cardholders completed the training prescribed by the State Purchasing Director and signed the State of Oklahoma Purchase Card Employee Agreement form;
  - o Cardholders submitted monthly transaction logs with supporting documentation which were reviewed and approved by the appropriate personnel;
  - o Mandatory categories of controls and limits were established for each purchase card, i.e. credit limit, single purchase limit, and Merchant Category Code Group;
  - o Controls were established to ensure that purchase cards are not used for prohibited purchases, i.e. travel, cash advances, motor fuel, etc....;
  - o Duties, control responsibilities, and the appropriate channels of communication were established and communicated to purchase cardholders to report suspected improprieties regarding purchase card usage.

Section 6.1.5 of the *Oklahoma State Purchase Card Procedures* states, "State entities are required to establish the following categories of controls and limits on each p/card...Single purchase limit (dollar amount per transaction shall not exceed \$2,500.00)." To ensure purchase card expenditures are for reasonable purchases, proper card limits should be established. During our examination of the Board's purchase cardholders' profiles, we noted one cardholder whose purchase card single purchase limit was set at \$24,999.00. The monthly purchase limit was set at \$5,000, which effectively is the single-purchase limit. Because the Board has not established mandatory single-purchase limits, the Board is in violation of *State Purchase Card Procedures*. We recommend the Board establish appropriate single-purchase limits for all purchase cardholders.

**Views of Responsible Official(s)**

**Contact Person:** Stephen Slater

**Anticipated Completion Date:** June 30, 2006

**Corrective Action Planned:** The Board has no documents that reflect any employee having a \$24,999.00 single purchase limit. PathwayNet, the system required by the P-card program for monthly invoice building, currently does not show any agency employee with such a limit. Additional information supplied by the auditor indicates that this limit is shown in the Department of Central Services' (DCS) system. I spoke with Lisa Martin at DCS. She said she spoke with someone from SAI about such a limit, and changed the cardholder limit to \$2,499.00 in PathwayNet. She does not remember the name of the cardholder. Given these circumstances, and with no way to audit PathwayNet user logs, I have no way to evaluate the validity of this finding, and can only reiterate that currently in PathwayNet, no agency cardholder has a single purchase limit of more than \$2,499.00.

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



10. We identified employees that are purchase card holders and determined the Board retained the original employee signed copy of the State of Oklahoma Purchase Card Employee Agreement. There were no findings as a result of applying the procedure.

11. We examined all purchase card transactions to determine:

- A credit limit (dollar amount per cycle) was established for each cardholder;
- The dollar amount of each transaction did not exceed the single purchase limit of \$2,500;
- Each purchase card was assigned an approved Merchant Category Code Group;
- Whether purchases from the same vendor on the same date was for the same item and whether in the aggregate, the card purchase limit was exceeded (i.e. split purchasing).

There were no findings as a result of applying the procedure.

12. We randomly selected 60 of the Board's purchase card transactions and:

- Determined transactions were **not** for prohibited purchases as stated in the *State of Oklahoma Purchase Card Procedures*. These prohibited purchases include:
  - Travel including, but not limited to, transportation, entertainment, food and beverages, travel agencies, and lodging.
  - Cash, cash advances, automatic teller machines (ATM).
  - Any transaction or series of transactions, which exceed the limits established on the individual purchase card.
  - Motor fuel or fluids.
  - Gift certificates.
- Inspected transaction logs to determine they were supported by receipts and/or other supporting documentation and the cardholder and approving official reconciled the supporting documentation to the monthly memo statement;
- Reviewed transaction receipts to determine if the use of the purchase card was limited to the employee whose name is embossed on the card;
- Examined transaction logs to determine the log was reviewed and approved (signed) by the cardholder and the approving official;
- Reviewed receipts and/or other supporting documentation to determine they were annotated "Received", signed, and dated by the receiving employee;
- Examined the receipt and/or supporting documentation to determine state sales tax was **not** charged during the transaction;
- Verified with the Department of Central Service that the Purchase card Administrators, back-up Administrators, Authorized Signers, Approving Officials, and Cardholders have successfully completed the Purchase Card Training conducted by the Department of Central Services prior to being issued purchase cards;
- Inspected transactions to determine if merchant preference was used by the Board for certain merchants or types of contracts, i.e. statewide contractions;
- Determined documents were retained in accordance with the Board's procedures;
- Compared the nature of the purchase to the Board's mission for consistency.

Section 6.7.1, *Goods or services received at the time of purchase*, of the *Oklahoma State Purchase Card Procedures* states, "The receiving document should be annotated 'Received' and signed and dated by the receiving employee." Section 6.7.2, *Goods or services received subsequent to the time of purchase*, of the *Oklahoma State Purchase Card Procedures*, states, "...The document accompanying the goods or services...serves as the receiving document and is processed as described in 6.7.1 above." We noted that for 36 of 60 purchase card transactions the receipt/shipping documents were not annotated as received and signed and dated by the purchasing employee. Because the Board does not require purchase cardholders to annotate receipts/shipping documents as received, the Board is in violation of *Oklahoma State Purchase Card Procedures*. We recommend the Board implement policies and procedures to require the purchasing employee to sign, date, and annotate receipts and/or supporting documentation as "received."

***Views of Responsible Official(s)***

**Contact Person:** Stephen Slater

**Anticipated Completion Date:** June 30, 2006

**Corrective Action Planned:** The Board will implement the policy/procedure that requires all receipt/shipping documents to be annotated "Received", with signature and date of receipt by the receiving employee.

Section 6.2.5.3 of the State of Oklahoma Purchase Card Procedures states, "State entities shall make purchases from mandatory statewide contracts regardless of the purchase price unless the State Purchasing Director has issued a waiver to the entity." There was one (1) incident in which the Board purchased an item from a vendor other than the mandated merchant of the Statewide Contract. The board did not obtain a waiver from DCS regarding this purchase. The Board is not in compliance with the State of Oklahoma Purchase Card Procedures. We recommend the Board comply with Merchant Preferences as set forth in the State of Oklahoma Purchase Card Procedures and if needed obtain a waiver from the State Purchasing director for purchases that need to be made off of the Statewide Contract.

***Views of Responsible Official(s)***

**Contact Person:** Stephen Slater

**Anticipated Completion Date:** June 30, 2006


**Corrective Action Planned:** The Board will implement the policy/procedure that insures compliance with Merchant Preferences as set forth in the State of Oklahoma Purchase Card Procedures and, if needed, obtain a waiver from the State Purchasing director for purchases that need to be made off of the Statewide Contract.

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

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 cash, receipts, disbursements, and capital assets 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.

We have also compiled a Schedule of Receipts, Disbursements and Changes in Cash from information obtained from the statewide CORE accounting system, which is presented in the "Other Information" section. The schedule, compiled for fiscal year 2005 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants, has been included for informational purposes only. A compilation is limited to presenting financial information that is the representation of management. We have not audited or reviewed the accompanying Schedule of Receipts, Disbursements and Changes in Cash, and accordingly, do not express an opinion or any other form of assurance on it.

This report is intended solely for the information and use of the Oklahoma Board of Medicolegal Investigations 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

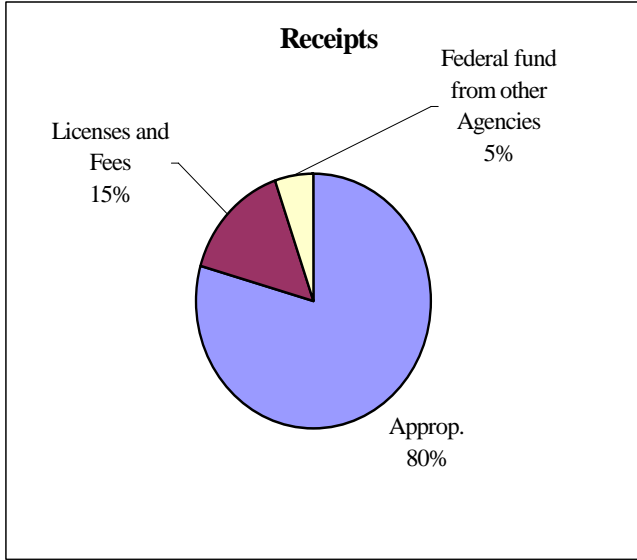
May 31, 2006

## Other Information

**Oklahoma Board of Medicolegal Investigations  
 Schedule of Receipts, Disbursements, and Changes in Cash  
 For the Fiscal Year Ending June 30, 2005  
 (UNAUDITED)**

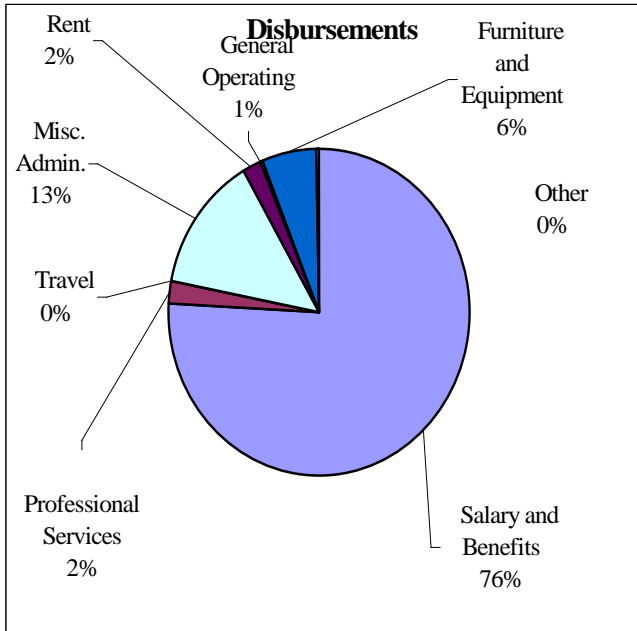
**RECEIPTS:**

Appropriations	\$3,427,372
Licenses and Fees	659,151
Federal fund from other Agencies	<u>222,560</u>
 Total Receipts	 <u>4,309,083</u>



**DISBURSEMENTS:**

Salary and Benefits	3,365,177
Professional Services	96,535
Travel	7,014
Misc. Admin.	597,070
Rent	83,515
General Operating	22,398
Furniture and Equipment	258,583
Other	<u>7,535</u>
 Total Disbursements	 <u>4,437,826</u>



RECEIPTS OVER (UNDER) DISBURSEMENTS	(128,744)
 CASH--Beginning of Year	 <u>395,036</u>
 CASH--End of Year	 <u><u>\$ 266,292</u></u>

This schedule is provided solely for the information and use by the management of Oklahoma Board of Medicolegal Investigations and not intended to be and should not be used by any other party. See Accountant's Report.



**Office of the State Auditor & Inspector**  
**2300 North Lincoln Boulevard, Room 100**  
**Oklahoma City, Oklahoma 73105-4896**  
**405-521-3495**

[www.sai.state.ok.us](http://www.sai.state.ok.us)