

# OFFICE OF DISABILITY CONCERNS

FOR THE PERIOD  
JANUARY 1, 2008 THROUGH  
JUNE 30, 2010

# OPERATIONAL AUDIT



Oklahoma State Auditor  
& Inspector

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

**For the Period  
January 1, 2008 through June 30, 2010**

# STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA  
State Auditor

MICHELLE R. DAY, ESQ.  
Chief Deputy



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December 1, 2010

**TO THE EXECUTIVE DIRECTOR OF THE OFFICE OF DISABILITY CONCERNS:**

This is the audit report of the Office of Disability Concerns for the period January 1, 2008 through June 30, 2010. 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 that reads "Steve Burrage".

STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

**Office of Disability Concerns**  
**Operational Audit**

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**Background**

The Office of Disability Concerns (Agency) was created for the purpose of helping state government develop policies and services that meet the needs of Oklahomans with disabilities.

Table 1 summarizes the Agency's sources and uses of funds for fiscal years 2009 and 2010 (July 1, 2008 through June 30, 2010).

**Table 1 - Sources and Uses of Funds for FY 2010 and FY 2009**

	2010	2009
Sources:		
State Appropriations	\$ 363,812	\$ 412,270
Federal Reimbursements	102,941	101,636
Total Sources	<u>\$ 466,753</u>	<u>\$ 513,906</u>
Uses:		
Personnel Services	\$ 423,270	\$ 447,393
Miscellaneous Administrative	14,200	37,054
Rent Expense	23,912	24,096
General Operating Expenses	725	1,998
Office Furniture and Equipment	1,491	8,145
Other	2,372	5,032
Total Uses	<u>\$ 465,970</u>	<u>\$ 523,718</u>

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

**Purpose, Scope, and Sample Methodology**

This 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 state officers whose duty it is to collect, disburse or manage funds of the state.

The audit period covered was January 1, 2008 through June 30, 2010.

We selected our samples in such a way that whenever possible, the samples are representative of the populations and provide sufficient evidential matter. Sample methodologies can vary and are selected based on the audit objective and whether the total population of data was available. Random sampling is the preferred method; however, we may also use haphazard sampling (a methodology that produces a representative selection for non-statistical sampling), or judgmental selection when data limitation prevents the use of the other two methods. We identified specific attributes for testing each of the samples. When appropriate, we projected our results to that population.

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. 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.

**Objective 1 - Determine whether the Agency's internal controls provide reasonable assurance that payroll expenditures were accurately reported in the accounting records.**

**Conclusion** The Agency's internal controls provide reasonable assurance that payroll expenditures<sup>1</sup> were accurately reported in the accounting records.

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

- Documented internal controls related to payroll expenditures which included discussions with Agency personnel, observation, and review of documents;
- Tested controls which included:
  - Reviewing three randomly selected months' payroll claims to ensure they were approved by the executive director, all employees' timesheets from those months were signed by the employee and the business manager or the executive director<sup>2</sup>, and the hours identified on the the timesheets agreed to the hours identified on the payroll claim;
  - Ensuring two separated employees<sup>3</sup> were removed from the payroll system in a timely manner by reviewing the approved payroll claim for the month after the termination date to ensure the separated employee was not included.

There were no exceptions noted as a result of these procedures.

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<sup>1</sup> Personnel services expenditures account for approximately 87% of the Agency's total expenditures.

<sup>2</sup> The executive director's timesheet was not signed by a supervising employee as he is the top official in the Agency.

<sup>3</sup> Based on review of PeopleSoft's "HR Actions Report", there were only two separations from the Agency during the audit period.



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