

OPERATIONAL AUDIT

OKLAHOMA HUMAN RIGHTS COMMISSION

For the period July 1, 2008 through June 30, 2011



Independently serving the citizens of Oklahoma by promoting the accountability and fiscal integrity of governmental funds.



Oklahoma State
Auditor & Inspector
Gary Jones, CPA, CFE

**Audit Report of the
Oklahoma Human Rights Commission**

**For the Period
July 1, 2008 through June 30, 2011**



Oklahoma State Auditor & Inspector

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October 18, 2011

TO THE OKLAHOMA HUMAN RIGHTS COMMISSION

This is the audit report of the Oklahoma Human Rights Commission for the period July 1, 2008 through June 30, 2011. 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.

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones".

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

Oklahoma Human Rights Commission Operational Audit

Background

The Oklahoma Human Rights Commission (Agency) is responsible for enforcing Oklahoma’s Anti-Discrimination Act which prohibits discrimination of employment, housing, and public accommodation; accepting, serving and reporting on complaints of racial profiling, and promoting unity and understanding through educational outreach for Oklahoma.

Oversight is provided by a nine-member commission (Commission). Each member serves a term of three years.

Commission members are:

Mari Fagin, Ph.D. Chair
 Neil McElderry, Jr. Vice-Chair
 Steve Bruner. Member
 Carl Downing, Ed.D. Member
 Col. (R) Stan Evans. Member
 Elvia Hernandez. Member
 Michael Rubenstein. Member
 Wilfredo Santos-River Member
 Kenneth Tillett Member

Table 1 summarizes the Agency’s sources and uses of funds for state fiscal years 2011 and 2010 (July 1, 2009 through June 30, 2011).

Table 1 - Sources and Uses of Funds for SFY 2011 and SFY 2010

	2011	2010
Sources:		
Federal Grants	\$ 336,350	\$ 309,650
State Appropriations	570,383	615,108
Other	311	-
Total Sources	<u>\$ 907,044</u>	<u>\$ 924,758</u>
Uses:		
Personnel Services	\$ 732,762	\$ 834,170
Rent	40,157	39,408
Miscellaneous Administrative	34,869	29,903
Travel	27,681	34,937
Maintenance and Repair	7,822	10,793
General Operating	5,700	9,104
Other	6,585	3,333
Total Uses	<u>\$ 855,576</u>	<u>\$ 961,648</u>

Source: Oklahoma PeopleSoft Accounting System (unaudited, for informational purposes only)

Oklahoma Human Rights Commission Operational Audit

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 all state agencies whose duty it is to collect, disburse or manage funds of the state.

The audit period covered was July 1, 2008 through June 30, 2011.

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 selected our samples in such a way that whenever possible, the samples are representative of the populations and provide sufficient evidential matter. 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 - To determine if the Agency's internal controls provide reasonable assurance that expenditures (including payroll) were accurately reported in the accounting records.

Conclusion

The Agency's internal controls provide reasonable assurance that expenditures (including payroll) were accurately reported in the accounting records.

Methodology

To accomplish our objective, we performed the following:

- Obtained an understanding of internal controls related to the expenditure and payroll processes through discussions with Agency personnel, observation, and review of documents;
- Tested controls which included:
 - Discussing with staff to determine who is responsible for approving the expenditure prior to payment and determining whether the individual was independent of the claim posting process;

Oklahoma Human Rights Commission Operational Audit

- Reviewing a sample of 79 claims (60 were randomly selected, 12 were haphazardly selected, and seven were judgmentally selected based on vendor name) totaling \$41,703 to determine payments were properly and independently approved;
- Discussing with management and staff to determine whether the executive director appears to be reviewing the warrants before they are mailed;
- Reviewing 18 randomly selected payroll claim documents to ensure they were reviewed and approved;
- Reviewing all 21 payroll changes that occurred during the audit period to ensure they were approved and properly reflected in the payroll records.

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



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