

**OKLAHOMA COUNTY
MANAGEMENT INFORMATION SYSTEMS DIRECTOR
SPECIAL AUDIT REPORT
MAY 5, 2006 THROUGH DECEMBER 15, 2006**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

January 18, 2007

Mr. Jim Roth, Chairman
Board of Oklahoma County Commissioners
320 Robert S. Kerr Avenue
Oklahoma City, Oklahoma 73102

Transmitted herewith is the Special Audit Report for Oklahoma County, Management Information Systems Director. We performed our special audit in accordance with the requirements of **74 O.S. 2001, § 212(I)**.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the State to ensure a government which is accountable to the people of the State of Oklahoma.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our Office during the course of our engagement.

Sincerely,

A handwritten signature in black ink that reads "Jeff A. McMahon". The signature is written in a cursive style with a large, sweeping initial "J".

JEFF A. McMAHAN
State Auditor and Inspector

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BOARD OF COUNTY COMMISSIONERS

Jim Roth District No. 1
Brent Rinehart District No. 2
Stan Inman..... District No. 3



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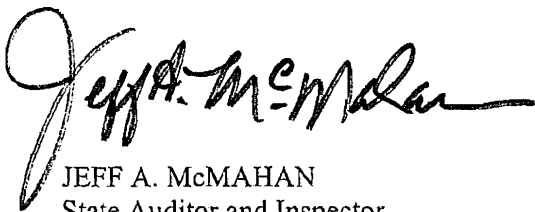
Pursuant to the Oklahoma County Board of County Commissioner's request, in accordance with the requirements of **74 O.S. 2001, § 212(I)**, we performed a special audit with respect to the Management Information Systems Director, for the period May 5, 2006 through December 15, 2006.

The objectives of our special audit primarily included, but were not limited to, the areas noted in the "index of specific concerns" and are presented in their entirety in italics as they were communicated to us. Our findings and recommendations related to these procedures are presented in the accompanying report.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on the account balances or financial statements of Oklahoma County for the period May 5, 2006 through December 15, 2006. Further, due to the test nature and other inherent limitations of a special audit report, together with the inherent limitations of any internal control structure, there is an unavoidable risk that some material misstatements may remain undiscovered. This report relates only to the accounts and items specified above and does not extend to any financial statements of the County taken as a whole.

This report is intended solely to provide information and use of the Oklahoma County Board of County Commissioners 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., section 24A.1 et seq.**), and shall be open to any person for inspection and copying.

Sincerely,



JEFF A. McMAHAN
State Auditor and Inspector

January 5, 2007

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CONCERNS, FINDINGS AND RECOMMENDATIONS

I. CONCERN: *Audit inventory of assets in Management Information Systems Department upon departure of Management Information Systems Director.*

FINDING: Based upon our review of inventory of the Management Information Systems Department, the following was noted:

- Required inventory tags were not found on 12 items.
- List of items transferred: Items such as computers, computer equipment, software and accessories have no record of whom they were issued to. These computer items are issued to departments within the County, but information is not retained as to serial numbers or inventory numbers, so visual inspection of these items was not possible.
- It appears 21 items over \$500 and 12 items under \$500 were duplicated on the inventory report resulting in an overstated inventory amount.
- The MIS department's inventory report is not up-to-date. It appears SA&I Inventory Form #3512 required to be submitted to the County Clerk on an annual basis is incorrect.
- It appears several items were not added to the internal inventory report because they were purchased through state surplus and/or other auctions.
- During our review, it was noted that 4 laptops were at employee's houses when asked to visually inspect them.
- It appears there are 7 inventory items over \$500 that could not be found.

RECOMMENDATION: We recommend that the MIS department place inventory tags and record inventory for all purchases over \$500 plus any item under \$500 that they feel should be tracked, such as training books, software and computers/equipment bought through surplus and/or auctions. We also recommend that MIS reconcile their internal inventory reports with those issued by the County Clerk on an annual basis. This would detect duplicate recording of inventory and also inventory items not recorded. We recommend that laptops that are issued to employees be safeguarded at all times since they are responsible for computer items issued to them. Proper paperwork should be kept on file with employees signing off as the responsible party for these laptops.

II. CONCERN: *Travel expenses incurred by Management Information Systems Director May 5, 2006 through May 15, 2006.*

The Management Information Systems Director attended the Data Management Innovation Forum in Hauppauge, New York on May 10, 2006 through May 13, 2006. The MIS Director spent time in New York before and after the conference date and some of the expenses from that period and air fare that had been paid through Rainbow Travel Service was erroneously reported on his expense report submitted for reimbursement on June 30, 2006.

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Per diem should start no earlier than 11:30 a.m. May 9, 2006, because according to 74 O.S. § 500.9.E., "Reimbursement for meals and lodging on out-of-state trips shall not begin more than twenty-four (24) hours before the meeting, workshop, conference or other objective of trip begins and shall not continue more than twenty-four (24) hours after said meeting, workshop, conference or other objective of trip ends."

Meals Provided by Conference:

May 10, 2006 Dinner
May 11, 2006 Breakfast
May 11, 2006 Lunch
May 11, 2006 Dinner
May 12, 2006 Breakfast
May 12, 2006 Lunch
May 12, 2006 Dinner

Receipts were not provided for the above mentioned days, so per diem would be prorated according to 74 O.S. § 500.8. Also, it should be noted that in the Director's request to attend the conference he mentions that many meals would be provided at no cost.

Per Diem:

5/9 64.00
5/10 48.00 (Dinner was provided)
5/11 none (Meals were provided)
5/12 none (Meals were provided)
5/13 64.00 (Conference ended at 9:15 a.m.)
5/14 none
5/15 none

Below is a table detailing the items that were reimbursed to the Management Information Systems Director for his trip to New York and also a detailed list of what we feel the travel expenses should have been and then the (over)/under payment by Oklahoma County. Internet usage was reduced because two (2) receipts were submitted with amounts manually written on them. Also, internet receipts were not detailed enough to determine that the internet usage was for county business.

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Reimbursement		After Review		Over/(Under) Payment
Per diem	\$ 224.00	Per diem	\$ 168.00	\$ 56.00
Tolls	28.00	Tolls	28.00	-
Lodging	237.97	Lodging - May 9th only	243.86	(5.89)
Air fare	327.10	Air fare	-	327.10
Internet usage	179.12	Internet usage	163.68	15.44
Mileage	-	Mileage	7.12	(7.12)
Annual leave May 15, 2006		Annual leave not taken-May 15, 2006	289.80	289.80
			Total amount overpaid \$	675.33

FINDING: Travel expenses that had already been paid through Rainbow Travel Service and expenses not covered under the County out-of-state travel policy were submitted for reimbursement along with travel expenses incurred by the Management Information Systems Director.

RECOMMENDATION: We recommend all air fare and hotel arrangements follow county purchasing policies and not be made by individuals on their personal credit cards. MIS personnel should review in detail reimbursement documentation before submitting to the Board of County Commissioners for repayment. Receipts for reimbursement should contain enough detailed information that the approving officer will know that expense was county business related. The Board of County Commissioners should consider implementing a policy stating a specific time frame in which travel reimbursements can be submitted for repayment and expand existing travel policy to be more specific to items such as when per diem starts and stops, internet usage and **detailed** original receipts must accompany travel reimbursement requests.