

OKLAHOMA COUNTY, OKLAHOMA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE

For the year ended June 30, 2011



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



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

**OKLAHOMA COUNTY, OKLAHOMA
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED JUNE 30, 2011**

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Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

March 14, 2012

TO THE CITIZENS OF
OKLAHOMA COUNTY, OKLAHOMA

Transmitted herewith is the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* of Oklahoma County, Oklahoma for the fiscal year ended June 30, 2011. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.

A report of this type is critical in nature; however, we do not intend to imply that our audit failed to disclose commendable features in the present accounting and operating procedures of the County.

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". The signature is fluid and cursive, with a long horizontal line extending from the end.

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



Oklahoma State Auditor & Inspector

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

TO THE OFFICERS OF
OKLAHOMA COUNTY, OKLAHOMA

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Oklahoma County, Oklahoma as of and for the year ended June 30, 2011, which collectively comprise Oklahoma County's basic financial statements and have issued our report thereon dated January 12, 2012. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Oklahoma County Public Buildings Authority, the Oklahoma County Finance Authority, and the defined benefit retirement plan of the Employees' Retirement System of Oklahoma County, as described in our report on Oklahoma County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Oklahoma County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Oklahoma County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of

deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in internal control described in the accompanying schedule of findings and responses to be material weaknesses in internal control over financial reporting. 11-055-02IT, 11-055-03IT

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting. 2011-1, 2011-2, 2011-3, 2011-4, 2011-5, 2011-6, 2011-7, 11-055-01IT, 11-055-04-IT

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oklahoma County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Oklahoma County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Oklahoma County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, those charged with governance, others within the entity, and is not intended to be and should not be used by anyone other than the specified parties. 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.



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

January 12, 2012

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2011**

Findings related to the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Finding 2011-1—District 2 Consumable Inventory Areas

Criteria: Safeguarding controls are an aspect of internal controls. Good internal controls would consist of an accurate inventory count to be maintained, as well as proper documentation to support changes in inventory.

Condition: Based on test work performed, we were unable to reconcile nine (9) of the twenty-five (25) items selected for test work.

Item #	Description	Count	OSAI Count	Variance	Item Cost	Total Cost
055-54-086	Lights, Emergency-Auto. Whelen Strobe Tube S2FBTUBE	5	7	2	\$ 225.90	\$ 451.80
060-09-0027	Battery, Auto, 12V, BCI#31	4	2	(2)	\$ 89.82	\$ (179.64)
405-36-047	Oil, Automotive Transmission, Dextron III, 5 Gallon	14	12	(2)	\$ 29.78	\$ (59.56)
405-51-035	Oil, Hydraulic, Tractor Trans Hydraulic Fluid, 5 Gallon	12	33	21	\$ 90.18	\$ 1,893.78
550-62-004	Signs, Traffic, Regulatory, Stop, R1-1, 36x36, Eng	29	30	1	\$ 62.08	\$ 62.08
550-62-804	Signs, Traffic, Misc, Street Markers, D-3, 9x30, Diamond	28	18	(10)	\$ 20.05	\$ (200.50)
210-28-004	Gal Pipe Arches, (24x20 Flat) 2 2/3, 16 Gauge	2	10	8	\$ 246.03	\$ 1,968.24
570-28-103	25 Foot Radius Guardrail 12'/12'6"/6'3"	4	14	10	\$ 148.75	\$ 1,487.50
570-70-023	Steel, Galvanized, Bridge Plank, 24"x18' -- Decking	3	11	8	\$ 146.16	\$ 1,169.28
Total Over/Under Amount						\$ 6,592.98

Effect: Without accurate inventory tracking, the department personnel would not be able to detect fraudulent activity and/or errors in the inventory.

**OKLAHOMA COUNTY, OKLAHOMA
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Recommendation: OSAI recommends District 2 implement adequate controls to maintain an accurate inventory count, including proper inventory documentation maintenance consisting of the inventory items being consumed and received each month while a continual tracking of total items are kept on hand.

Management Response: Oklahoma County District 2 intends to ensure that adequate internal controls are in place for all consumable inventory, including any controls that are necessary to detect or prevent fraudulent activity or errors. Individuals have been designated to be responsible for groups of consumables and the District 2 Comptroller will ensure that reconciliations are made.

Finding 2011-2—District 2 SHINE Program

Criteria: Title 19 O.S. § 339 (A) 16 states:

To utilize county-owned equipment, labor and supplies at their disposal on property owned by the county, public schools, two-year colleges or technical branches of colleges that are members of The Oklahoma State System of Higher Education, the state and municipalities according to the provisions of Section 36-113 of Title 11 of the Oklahoma Statutes. Cooperative agreements may be general in terms of routine maintenance or specific in terms of construction and agreed to and renewed on an annual basis. Work performed pursuant to Section 36-113 of Title 11 of the Oklahoma Statutes shall comply with the provisions of this section.

Condition: While reviewing the minutes of the Board of County Commissioners, it was noted that the SHINE program (Graffiti Abatement) has been approved as a pilot program for Oklahoma County District 2. While reviewing the minutes further, it was noted there were no Cooperative agreements submitted for approval to the Board of County Commissioners for the participation of this program with other agencies. To date, SHINE activity by County employees is paid for using Highway Cash Funds.

Cause: It appears Oklahoma County District 2 was unaware that Cooperative agreements were necessary when providing SHINE assistance to agencies or municipalities.

Effect: The Oklahoma County Board of County Commissioners could be held liable for activity performed under the SHINE program and not be aware of it nor have approved documented guidelines as to what the projects include.

Recommendation: OSAI recommends all Interlocal activity performed by county programs and employees be approved by the District Attorney and voted on by the Board of County Commissioners. It is also recommended that in the event that work provided by the SHINE program is not performed on county highways, then other funds should be used.

Management Response: When required, interlocal activity will be placed on the Board of County Commissioners agenda. Currently SHINE activity that performs work in a non statutory environment is funded by non highway dollars.

**OKLAHOMA COUNTY, OKLAHOMA
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FOR THE YEAR ENDED JUNE 30, 2011**

Finding 2011-3—Sheriff's Annual Awards Banquet

Criteria: Internal controls have not been designed by Oklahoma County to ensure compliance with state statutes regarding donated gifts and participation in not-for-profit organizations.

Title 19 O.S. § 682 states in part, “It shall be the duty of each and every county officer, county board, county commission and all members and employees of either thereof, to deposit daily in the official depository designated in Section 681 of this title, all monies, checks, drafts, orders, vouchers, funds, rentals, penalties, costs, proceeds of sale of property, fees, fines, forfeitures and public charges of every kind received or collected by virtue or under color of office...”

Title 60 O.S. § 390 states, “The board of county commissioners of each county of the state, as to such county, and the governing board of each city, town and school district of the state, as to each such governmental subdivision, is hereby authorized in its discretion to accept, upon behalf of such county, city, town or school district, any gift, testamentary or otherwise, whether unconditional or conditional, of any property, whether real or personal or both, to such county, city, town, or school district, or any institution, department or agency thereof; and, in such instances, the property, or, in the case of real property or intangible personal property, the muniments of title thereto, shall be delivered to, and any necessary receipts therefore shall be executed by, such board.”

Two Attorney General opinions, 1980 OK AG 221 and 1981 OK AG 190, point to the Oklahoma Constitution, Article 10, Section 17, which prohibits the use of public resources to support or finance not-for-profit and/or non-public purposes.

Also, the Oklahoma County Employee Handbook Section 3-General Procedures (D) states, “Gifts: The acceptance of gifts in exchange for services from vendors, potential vendors or customers is prohibited.”

Condition: On December 2, 2011, employees of the Sheriff’s Office, acting as the Oklahoma County Fraternal Order of Police, hosted an annual awards banquet for the purpose of employee appreciation recognition. The Oklahoma County Fraternal Order of Police (FOP) is a not-for-profit organization primarily made up of employees of the Sheriff’s Office.

The FOP solicited some cash and prize donations from vendors of Oklahoma County. According to the Sheriff, employees of the Sheriff’s Office utilized some county time for planning the banquet and selling banquet tickets.

The Sheriff attended the banquet and announced a one-time pay increase for each employee in the amount of \$334.91 which totaled \$244,149.39 and was paid on December 5, 2011. Also, the Sheriff presented employee appreciation gifts at the banquet which consisted of 1,000 candles totaling \$7,000 purchased from the Sheriff Service Fee Fund.

Because the activities of the Oklahoma County Fraternal Order of Police and the activities of the Sheriff’s Office overlap, it appears that some donations and expenditures related to the banquet could be in violation of state statutes and constitutional provisions.

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Effect: This condition could result in unrecorded transactions, misstated financial reports, misappropriation of funds, or violation of state statutes and constitutional provisions.

Recommendation: OSAI recommends that a clear division be established between the Sheriff's Office and any not-for-profit organizations with which the Sheriff conducts business.

OSAI recommends that the County Sheriff deposit all funds collected under the color of office in the official depository account in accordance with Title 19 O.S. § 682. OSAI recommends all donations to the Sheriff's Office be received by the Board in accordance with Title 60 O.S. § 390.

Management Response: The Sheriff's Office has held an Annual Employee Awards Banquet for the past fifteen years. The focus of the banquet is to honor Sheriff's Office employees for outstanding work and provide a memorable evening for very overworked and underpaid employees who give exceptional service for our citizens.

The Oklahoma County Sheriff's Office and the Oklahoma County Sheriff's Office Fraternal Order of Police Lodge 155 are separate legal entities. The Sheriff's Office is already working with the OCSO FOP Lodge 155 to ensure there are sufficient visible distinctions while working cooperatively to enhance employment for employees and safety for our citizens.

The Sheriff's Office has always worked to ensure income and expenditures are handled lawfully. Expenditures of the Sheriff's Office follow county purchasing guidelines and are approved by the Board of County Commissioners, including the one-time salary increase and the employee appreciation gifts. The Sheriff's Office will work closely with the OCSO FOP Lodge 155 to ensure all revenue and expenditures on cooperative projects are reviewed to ensure lawful accounting by the appropriate entity.

The Sheriff's Office is committed to making sure any issue regarding the Annual Employee Awards Banquet is openly addressed.

In that spirit, the Oklahoma County District Attorney's Office has opined regarding several issues related to the Annual Employee Awards Banquet to provide guidance.

The Oklahoma County Sheriff's Office will work with the Oklahoma State Auditor and Inspector's Office to resolve any issues or questions with our ongoing Annual Employee Awards Banquet.

Finding 2011-4—District 1 Infrastructure

Criteria: Safeguarding controls are an aspect of internal controls. Safeguarding controls relate to the prevention or timely detection of unauthorized transactions and unauthorized access to assets. Failure to perform tasks that are part of internal controls, such as not maintaining a project file for each road project, and updating records that show the road project number and costs for each road project.

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Condition: During our procedures performed at District #1, we noted 12 Road Projects that did not have identifying Project files, numbers or supporting documentation to confirm the approval, labor, material or machine costs incurred for these Road Projects.

Effect: Lack of adequate records could lead to a material misstatement.

Recommendation: OSAI recommends that District #1 maintain adequate records to ensure the proper road project costs are adequately supported by documentation and accurately reported.

Management Response: Oklahoma County District 1 has implemented the recommendations of the Auditor.

Finding 2011-5—Payroll Internal Controls (Repeat Finding)

Criteria: A component objective of an effective internal control system is to provide accurate and reliable information. Internal controls are designed to analyze and check accuracy, completeness, and authorization of payroll calculations and/or transactions.

Condition: During the examination of internal controls over processing of payroll, we noted certain weaknesses in that:

- 1) Each department submits a monthly payroll claim; however, controls are not in place to verify the accuracy of the payroll calculations that have been submitted by the individual department.
- 2) No controls are in place to check the accuracy of the leave balances submitted for payment by the individual department when an employee has been terminated.

This is a repeat finding from previous years and has not been corrected.

Effect: This condition could result in unrecorded transactions, misstated payroll records, or undetected errors.

Recommendation: OSAI recommends Oklahoma County implement internal controls that will ensure that all payroll calculations and/or transactions which are submitted by each department are properly checked for accuracy, completeness, and authorization. Our recommendation includes creating a centralized payroll department that has use of an automated, integrated payroll system. The accuracy of the time records can also be accomplished by independent oversight until an integrated resource information system is implemented.

Management Response: In an effort to find a permanent solution for the finding, Oklahoma County, during the fiscal year (FY 11-12), is implementing Kronos payroll and time keeping software. It is anticipated the implementation will be complete by October 2012. The implementation and completion

**OKLAHOMA COUNTY, OKLAHOMA
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date has been delayed due to ongoing issues with the language of the contract between Oklahoma County and Kronos.

Finding 2011-6—Sheriff Consumable Inventory Areas (Commissary)

Criteria: Safeguarding controls are an aspect of internal controls. Good internal controls would consist of an accurate inventory count to be maintained, as well as proper documentation to support changes in inventory.

Condition: Based on test work performed, we were unable to reconcile twenty-four (24) of the twenty-five (25) items to the June 30, 2011, inventory amount.

Effect: Without accurate inventory tracking, the department personnel would not be able to detect fraudulent activity and/or errors in the inventory.

Recommendation: OSAI recommends the Sheriff's Office implement adequate controls in all inventory areas, including proper inventory documentation maintenance consisting of the inventory items being reconciled each month while a continual tracking of total items are kept on hand.

Management Response: As previously reported by the Sheriff's Office, the E-Justice Jail Management System (EJS) was unable to accurately manage the Inmate Commissary inventory and we were actively seeking a solution to replace EJS for the management of the Inmate Commissary inventory. The Sheriff's Office was able to work with Pinnacle/Telmate, under the provisions of the County's contract for Inmate Phone Service, and provide a solution to effectively manage the Inmate Commissary inventory at no cost to the County. The Jail Tracker System was implemented in September 2011, and we believe that it, along with the consistent monitoring and adjustment of processes, it will address this recommendation.

Finding 2011-7—District 2 Fuel

Criteria: Title 19 O.S. § 1502 prescribes procedures for administering a consumable inventory of items purchased in lots of Five Hundred Dollars (\$500.00) or more. In addition, safeguarding controls are an aspect of internal control. Safeguarding controls relate to the prevention or timely detection of unauthorized transactions and unauthorized access to assets. Failures to perform tasks that are part of internal controls such as performing periodic counts of consumable inventories and reconciling those counts to inventory records are deficiencies of internal control.

Condition: It was noted during the examination of consumable inventory items at the District 2 barn that some variances existed between consumable inventory balances and some physical counts. Variances between physical counts and the inventory listing are listed in the table below.

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Office	Consumable Description	County Identification Number	Inventory Amount	Amount Verified	Variance	Cost Each	Total Cost
District 2	Fuel, Diesel	405-09-0002	566.15 Gal.	2,403 Gal.	1,836.85 Gal.	\$ 3.13539	\$ 5,759.24
District 2	Fuel, Unleaded	405-15-0002	2,837.45 Gal.	1,679 Gal.	1,158.45 Gal.	\$ 2.90585	\$3,366.28
Total							\$ 9,125.52

Effect: Without proper documentation and recording of inventory, the inventory may be misstated or misappropriated.

Recommendation: OSAI recommends that more emphasis be placed on maintaining accurate inventory records for consumable items. We also recommend that periodic counts of consumable inventory be conducted and documented.

Management Response: The District 2 Comptroller has taken responsibility for maintaining the accuracy of fuel inventories and periodic counts are now being conducted and documented.

Finding 11-055-01IT—Treasurer's Office (Repeat Finding)

Criteria: According to the *Government Auditing Standards, July 2007 Revision* (GAO-07-731G 7.23) we are to evaluate general controls including security management, logical and physical access, configuration management, segregation of duties, and contingency planning.

According to CobiT Plan and Organize 4.11 Segregation of Duties, management should implement a division of roles and responsibilities that reduces the possibility for a single individual to compromise a critical process. Make sure that personnel are performing only authorized duties relevant to their respective jobs and positions.

Condition: The Treasurer's Office relies on two programmers to do all the development, maintenance, administration, quality control, and change management. Both of these users have DBA access. Proper segregation of duties is not possible without some mitigating controls with this number of employees.

Effect: With no segregation of duties the office's data, programs, and operations that depend on the data are exposed to risk.

Recommendation: The Treasurer's Office needs to establish some segregation of duties. OSAI recommends that the Treasurer's office implement one of the following solutions:

- Assign someone the responsibility of migrating changes from the test environment to the production environment.
- Set up a workstation that resides in the MIS Department that is under their control that records when changes are made to production. This could allow Treasurer's Office staff to perform and the change be recorded on a system in which the Treasurer's Office cannot manipulate.

**OKLAHOMA COUNTY, OKLAHOMA
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Management Response: The Treasurer's Office will develop software and provide source code to the Oklahoma County MIS Department that will create an audit trail of changes to the Treasurer's in-house software. The software will detect when changes are made and save a copy of the changed files to another location. Because the software will be compiled by MIS employees, and run using their credentials on their servers, it will be able to make the backup copies in a folder to which the Treasurer's Office employees do not have access. This solution was approved by the State Auditor and Inspector's Office.

Finding 11-055-02IT—MIS Department

Criteria: AICPA has recognized ISACA as a source for guidance related to information system auditing and information system control standards. CobiT is ISACA's framework for IT Controls. According to CobiT Acquire and Implement 3.2, Infrastructure Resource Protection and Availability, management should implement internal control, security, and auditability measures during configuration, integration, and maintenance of hardware and infrastructural software to protect resources and ensure availability and integrity. Responsibilities for using sensitive infrastructure components should be clearly defined and understood by those who develop and integrate infrastructure components. Their use should be monitored and evaluated.

Condition: During January 2011, the County Offices experienced an outage of their network. The outage shut down the network for an afternoon. During October 2011, the Sheriff's Office experienced an outage of their network. Both of these outages resulted in the County paying an outside entity for assistance. Based on the outside entity's notes, there were problems with network switches, devices and/or services running on them. This equipment is located in the buildings that are controlled by the Sheriff's office.

Effect: The various county operations are vulnerable to rogue elements being added to the network, or changes being made that adversely affect the network. Additionally, the inability to determine what caused the outage increases risk to the entire county.

Recommendation: OSAI recommends changes to the network should be submitted, in writing before implementation, to the County's MIS Department change control group for their review, approval, and installation assistance. This should include any switches, routers, servers, personal computers, mobile devices, and/or network printers.

Management Response: OK County MIS will continue to host a weekly change control meeting to review all submitted changes. In an attempt to make the change control process as streamlined as possible, we have created a web based application that technology staff can use to review and submit their proposed changes. As an added security measure, MIS will be implementing a system that will utilize several authentication methods to protect against unauthorized access to the network. This tool will provide a framework for a comprehensive unified platform to protect against rogue elements being added to the network.

**OKLAHOMA COUNTY, OKLAHOMA
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Finding 11-055-03IT—MIS Department

Criteria: AICPA has recognized ISACA as a source for guidance related to information system auditing and information system control standards. CobiT is ISACA's framework for IT Controls. According to CobiT Plan and Organize 5.3 IT Budgeting, management should establish and implement practices to prepare a budget reflecting the priorities established by the enterprise's portfolio of IT-enabled investment programs, and including the ongoing costs of operating and maintaining the current infrastructure. The practices should support development of an overall IT budget as well as development of budgets for individual programs, with specific emphasis on the IT components of those programs. The practices should allow for ongoing review, refinement, and approval of the overall budget and the budgets for individual programs.

Condition: During January 2011, the County Offices experienced an outage of their network. This outage ended up shutting down the network for an afternoon. The Sheriff's Office also experienced an outage in October 2011. Both of these outages resulted in the County paying for external network assistance. The notes from the external worker point to problems with network switches and or devices or services running on them, located within buildings the Sheriff controls.

Effect: Obsolete network components do not support newer techniques for managing the IT infrastructure and limit the capabilities of the County's systems. Older equipment is also harder to support and more likely to fail.

Recommendation: OSAI recommends the network components that comprise the infrastructure of the County to be evaluated, and a lifecycle maintenance plan needs to be implemented.

Management Response: Oklahoma County MIS has identified 100 network attached devices that have reached an end of the life status and has been targeted for replacement. The most critical of these components that make up the network core at the annex and the detention facility has already been replaced with new equipment. MIS will submit a five year plan to replace the remaining 100 items. As an additional security measure, the MIS department will be implementing an additional firewall between the Sheriff's office and the rest of the network in order to isolate any potential exposure within the Sheriff's office and protect the county's financial systems from harm. 100% of the network traffic generated by the Sheriff's office will travel through the newly implemented firewall before it touches the remainder of the county network.

Finding 11-055-04IT—MIS Department

Criteria: AICPA has recognized ISACA as a source for guidance related to information system auditing and information system control standards. CobiT is ISACA's framework for IT Controls. According to CobiT *Deliver and Support 5.4 User Account Management*, management should address requesting, establishing, issuing, suspending, modifying, and closing user accounts and related user privileges with a set of user account management procedures. Include an approval procedure outlining the data or system owner granting the access privileges. These procedures should apply for all users, including

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administrators (privileged users) and internal and external users, for normal and emergency cases. Rights and obligations relative to access to enterprise systems and information should be contractually arranged for all types of users. Perform regular management review of all accounts and related privileges.

Condition: Several users have System Administrator rights on their workstation computers that do not have a documented need for those rights in the County's offices.

Effect: Applications that are harmful, potentially illegal, and prohibited have been installed on the County's computers. These documented instances have caused the County to be blacklisted from the internet in the past, and could lead to lawsuits being filed against the County if this behavior continues.

Recommendation: Local Administrator rights should be restricted to IT personnel, and individuals that have a documented need. All exceptions should have an exception letter signed by the office head accepting responsibility for the user's elevated rights.

Management Response: Oklahoma County MIS department has worked with the Sheriff's office to drastically reduce the number of staff members who have local admin permissions, and will continue to monitor for potential candidates for removal. Following the stated recommendations; MIS will ask for each office to provide a statement of exception for each non-IT staff with local admin permissions along with a statement of the office head accepting responsibility for the user's elevated rights.



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