OKLAHOMA HUMAN RIGHTS COMMISSION

FOR THE PERIOD
JANUARY 1, 2006 THROUGH
JUNE 30, 2008

OPERATIONAL AUDIT

Oklahoma State Auditor
& Inspector
Audit Report of the
Oklahoma Human Rights Commission

For the Period
January 1, 2006 through June 30, 2008
January 15, 2009

TO THE OKLAHOMA HUMAN RIGHTS COMMISSION

Pursuant to 74 O.S. § 212, transmitted herewith is the audit report for the Oklahoma Human Rights Commission for the period January 1, 2006 through June 30, 2008. 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,

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

MICHELLE R. DAY, ESQ.
DEPUTY STATE AUDITOR & INSPECTOR
Mission Statement

The Oklahoma Human Rights Commission works to enforce Oklahoma's Anti-Discrimination Act which prohibits discrimination of employment, housing, and public accommodation; accept, serve, and report on complaints of racial profiling, and promote unity and understanding through educational outreach for Oklahoma.

Commission Members

Stan Evans ................................................................. Chair
Mari Fagin........................................................................ Member
Elvia Hernandez ............................................................... Member
Neil McElderry, Jr. .......................................................... Member
Teresa Rendon.................................................................. Member
Sammie Vasquez, Sr. ....................................................... Member
Juanita Williams .............................................................. Member
Vacant................................................................................ Member
Vacant.............................................................................. Member

Key Staff

Ken Kendricks ................................................................. Executive Director
Cynthia Booker................................................................. Executive Assistant
Quan Dang-Ngoc ............................................................. Administrative Assistant
TO THE OKLAHOMA HUMAN RIGHTS COMMISSION

We have audited the Oklahoma Human Rights Commission (the agency) for the period January 1, 2006 through June 30, 2008. The objective of this audit was to determine if:

- The agency’s internal controls provide reasonable assurance that expenditures were accurately reported in the accounting records.

As part of our audit, we obtained an understanding of internal controls significant to the audit objectives and considered whether the specific controls have been properly designed and placed in operation. We also performed tests of certain controls to obtain evidence regarding the effectiveness of the design and operation of the controls. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of the laws and regulations significant to the audit objectives and assessed the risk that illegal acts, including fraud, violation of contracts, grant agreements, or other legal provisions could occur. Based on this risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the laws and regulations. However, providing an opinion on compliance with these laws and regulations was not an objective of our audit and accordingly, we do not express such an opinion.

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.

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

MICHELLE R. DAY, ESQ.
DEPUTY STATE AUDITOR & INSPECTOR

January 6, 2009
Background

The Oklahoma Human Rights Commission (the agency) was established by the Legislature to work toward removing friction, eliminating discrimination, and promoting unity and understanding among all the people of Oklahoma.

The agency’s operations are governed by 74 O.S. § 951 through 955 as well as Title 335 of the Oklahoma Administrative Code.

Oversight is provided by a nine member Commission appointed by the Governor with the advice and consent of the Senate. The Commissioners serve a term of three years. The agency pays for its operations primarily through state appropriations and federal funds.

Table 1 summarizes the agency’s sources and uses of funds for fiscal years 2006, 2007, and 2008.

| Table 1-Sources and Uses of Funds for FY 2006, FY 2007 and FY 2008 |
|------------------|----------|----------|----------|
|                  | 2006     | 2007     | 2008     |
| Sources:         |          |          |          |
| Appropriations   | $673,372 | $703,021 | $710,135 |
| Federal Grants-In-Aid | 368,811 | 302,309 | 353,768 |
| Other            | 939      | 28       | 89       |
| Total Sources    | $1,043,122 | $1,005,358 | $1,063,992 |
| Uses:            |          |          |          |
| Personnel Services | $851,461 | $859,162 | $831,138 |
| Professional Services | 10,171  | 18,205   | 29,479   |
| Travel           | 43,351   | 79,126   | 51,718   |
| Miscellaneous Administrative | 52,462 | 50,483 | 47,398 |
| Rent Expense     | 39,584   | 36,576   | 39,756   |
| Other            | 54,221   | 21,122   | 27,265   |
| Total Uses       | $1,051,250 | $1,064,674 | $1,026,754 |

Source: Oklahoma CORE Accounting System (unaudited; for informational purposes only)

Objective 1 - Determine if the agency’s internal controls provide reasonable assurance that expenditures were accurately reported in the accounting records.

Conclusion

The agency’s internal controls provide reasonable assurance that expenditures were accurately reported in the accounting records.

Methodology

To accomplish our objective, we performed the following:

- Documented internal controls related to the expenditure process;
- Tested controls which included:
  - Ensuring the expenditure approval function is independent of the posting function;
  - Ensuring the person who receives the warrants is independent of the expenditure posting function;
  - Reviewing a random sample of 60 expenditure claims to ensure they were properly authorized. This included ensuring the invoice supported the payment, the invoice was mathematically accurate, the correct account code was used, and the expenditure was reasonable for the agency’s mission.