

OPERATIONAL AUDIT

OKLAHOMA STATE BOND ADVISOR

For the period July 1, 2011 through December 31, 2013



*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

**Audit Report of the
Oklahoma State Bond Advisor**

**For the Period
July 1, 2011 through December 31, 2013**



Oklahoma State Auditor & Inspector

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August 6, 2014

TO THE OKLAHOMA COUNCIL ON BOND OVERSIGHT,

This is the audit report of the Oklahoma State Bond Advisor for the period July 1, 2011 through December 31, 2013. 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.

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.

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones". The signature is fluid and cursive, with the first name "Gary" being the most prominent part.

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

**Oklahoma State Bond Advisor
Operational Audit**

Background

The State Bond Advisor’s Office serves as staff to the Council of Bond Oversight and provides assistance to the Governor and Legislature on matters relating to capital planning, debt assistance, and debt management. The Office also assists the Office of Management and Enterprise Services as staff to the Long-Range Capital Planning Commission and administers the Private Activity Bond Allocation Act.

Oversight is provided by five council members: two appointed by the Governor, one by the Speaker of the House, one by the Senate Pro Tem, and one statutory member.

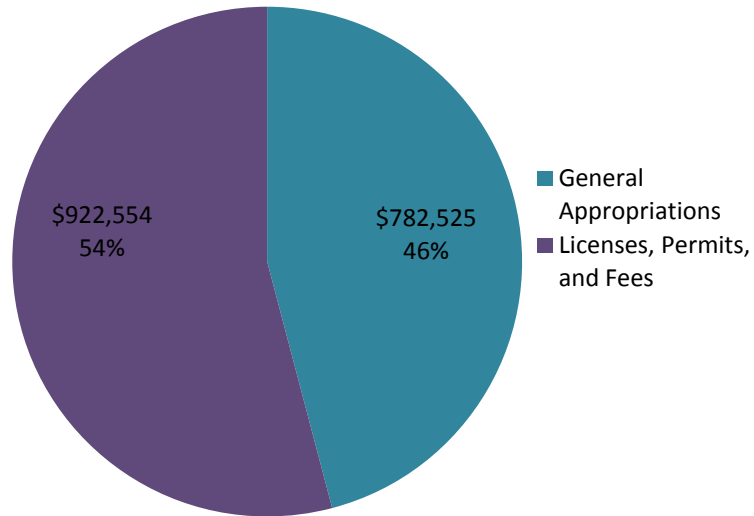
Board members as of July 2014 are:

- Scott N. Hatch Chairman
- Gary Huckabay.Secretary
- Preston Doerflinger.....Ex Officio
- Mark Beffort..... Member
- Robert M. Jones Member

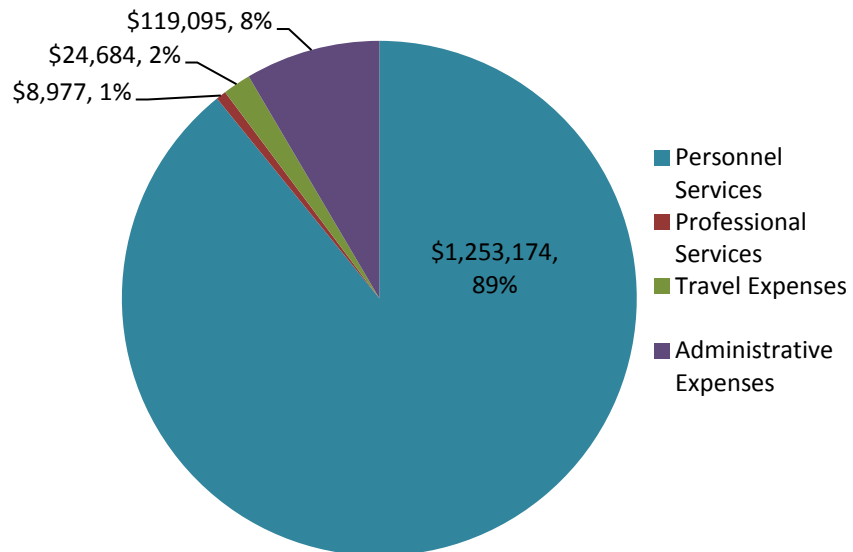
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The following charts illustrate the Agency's primary funding sources, and where those funds are expended.¹

Revenues by Category July 1, 2011 through December 31, 2013



Expenditures by Category July 1, 2011 through December 31, 2013



¹ This information was obtained from Oklahoma PeopleSoft accounting system. It is for informational purposes only and has not been audited.

Oklahoma State Bond Advisor Operational Audit

Scope and Methodology

Our audit was conducted in response to 74 O.S. § 212 B.1., which requires the State Auditor and Inspector’s office to audit the books and accounts of all state agencies whose duties it is to collect, disburse, or manage funds of the state.

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.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessment of materiality and risk for the period July 1, 2011 through December 31, 2013. Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and observations of the Oklahoma State Bond Advisor operations. We also tested a sample of transactions to achieve our objectives. To ensure the samples were representative of the population and provided sufficient, appropriate evidence, the random sample methodology was used. We identified specific attributes for testing each of the samples and when appropriate, we projected our results to the population.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, errors or fraud may occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

OBJECTIVE

Determine whether the Agency’s internal controls provide reasonable assurance that expenditures, including payroll, and revenues were accurately reported in the accounting records.

Conclusion

The Agency’s internal controls provide reasonable assurance that expenditures, including payroll, and revenue were accurately reported in the accounting records.

We have no recommendations as a result of our procedures.



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