



OKLAHOMA BOARD OF LICENSURE FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS

Operational Audit

For the period July 1, 2018 through June 30, 2022

Cindy Byrd, CPA
State Auditor & Inspector

**Audit Report of the
Oklahoma State Board of Licensure for
Professional Engineers and Land Surveyors**

**For the Period
July 1, 2018 through June 30, 2022**



November 10, 2022

**TO THE OKLAHOMA BOARD OF LICENSURE FOR
PROFESSIONAL ENGINEERS AND LAND SURVEYORS**

We present the audit report of the Oklahoma State Board of Licensure for Professional Engineers and Land Surveyors for the period July 1, 2018 through June 30, 2022. 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 "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

State Board of Licensure for Professional Engineers and Land Surveyors
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Background

The State Board of Licensure for Professional Engineers and Land Surveyors (the Agency) serves as the regulatory agency to safeguard life, health, and property, and to promote the public welfare, in the licensing and regulation of the practice of engineering and land surveying in Oklahoma. The Board investigates alleged violations of provisions of the licensure law.

The Board consists of four professional engineers and two professional land surveyors, at least one of whom is not a professional engineer. All are appointed by the Governor with the advice and consent of the Senate. There is also one lay member appointed by the Governor.

Board members as of October 2022 are:

Chris Ramseyer, PhD, P.E.....	Chair
David L. Page, P.L.S.....	Vice-Chair
Glen W. Smith, P.E., P.L.S.....	Secretary
Richard Willoughby, P.E.....	Member
Aaron L. Morris, P.L.S.....	Member
Gene O. Brown, P.E., S.E.....	Member
Patrick Adams	Member

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The following table summarizes the Agency's sources and uses of funds for fiscal years 2021 and 2022 (July 1, 2020 through June 30, 2022).

Sources and Uses of Funds for FY 2021 and FY 2022

	2021	2022
Sources:		
Engineer Licenses, Permit Fees	\$ 1,340,023	\$ 1,586,105
Fines, Forfeits, Penalties	34,000	60,900
Other Revenues	27,971	27,942
Other Licenses, Permits, Fees	19,663	36,899
Income from Money and Property	6,625	5,888
Appropriations	4,031	-
Total Sources	\$ 1,432,313	\$ 1,717,734
Uses:		
Personnel Services	\$ 985,080	\$ 1,002,997
Administrative Expenses	225,204	283,532
Assistance, Payments to Local Govn'ts	250,008	112,500
Professional Services	156,661	141,396
Property, Furniture, Equipment	3,693	5,324
Travel	915	29,413
Total Uses	\$ 1,621,561	\$ 1,575,162

Source: Oklahoma statewide accounting system (unaudited, for informational purposes only)

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Scope and Methodology

Our 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.

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, 2018 through June 30, 2022. To assess risk and develop our audit objective, we held discussions with management, distributed surveys to the Agency’s personnel, and performed data analysis and prior audit follow-up. These procedures included:

- Reviewing revenue, expenditure, and asset-related data from the statewide accounting system and gathering information from agency personnel to assess the related financial processes and trends for any notable risks.
- Reviewing evidence of the director’s review of detailed expenditure reports from the statewide accounting system.
- Reviewing the Agency’s HR All Actions Report from the statewide accounting system to assess personnel changes that had a financial impact during the audit period.
- Reviewing inventory listings and discussing the inventory count processes with staff.
- Reviewing board meeting minutes.
- Reviewing pertinent statutes and regulations and assessing related risks.

One objective related to analyzing trends in audit period deposits was developed, as discussed in the next section. No other significant risks or findings were identified as a result of these procedures.

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.

Internal Control Considerations

The Government Accountability Office (GAO) emphasizes the importance of internal controls at all levels of government entities. Their *Standards for Internal Control*¹ outline the five overarching components of internal control: the control environment, risk assessment, information and communication, monitoring, and detailed control activities. Any component considered significant to our audit objectives is assessed during our procedures and included as appropriate in this report.

The *Standards for Internal Control* underscore that an internal control system is effective only when the five components of internal control are operating together in an integrated manner. They also stress that documentation is a necessary part of an effective internal control system and is required to demonstrate its design, implementation, and operating effectiveness.

¹ *Standards for Internal Control in the Federal Government*, or the “Green Book,” sets standards and the overall framework for an effective internal control system in federal agencies and is treated as best practices for other levels of government. Last update 2014, accessible online at <https://www.gao.gov/products/GAO-14-704G>.

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OBJECTIVE Analyze trends in audit period deposits, including frequency of physical deposits and total licensing receipts, to ensure they were consistent, or fluctuations can be explained, and that no significant concerns are noted.

Conclusion The Agency's trends in audit period deposits, including frequency of physical deposits and total licensing receipts, are relatively consistent. No significant concerns were noted.

Objective Methodology The Agency is currently in the process of transitioning to a new online database system and implementing the Thentia licensing system, which they believe will allow them to perform reliable reconciliations of licensing activity to deposited funds.

The objective was developed with these facts in mind. While recommendations related to the audit period process would no longer have been useful to management, our analysis of audit period deposits provides reassurance that there were no unexplained fluctuations in deposit activity and no significant concerns were identified. We will assess any risks related to the updated revenue process in our next engagement.

To accomplish our objective, we performed the following:

- Using detailed deposit data from the statewide accounting system, calculated and evaluated the number of physical deposits made each audit period fiscal year.
- Using Combining Trial Balance reports from the Statewide Accounting System, identified and evaluated the total revenue from licensing fees deposited each fiscal year from 2019 through 2022.

Minor fluctuations were noted during our analysis. These were explained by the fact that an executive order delayed some license renewals from FY 2021 to FY 2022, and the fact that the Agency was unable to accept online payments or EFTs during another system conversion in FY 2022.

No findings were identified as a result of these procedures.

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STATE AUDITOR & INSPECTOR



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