

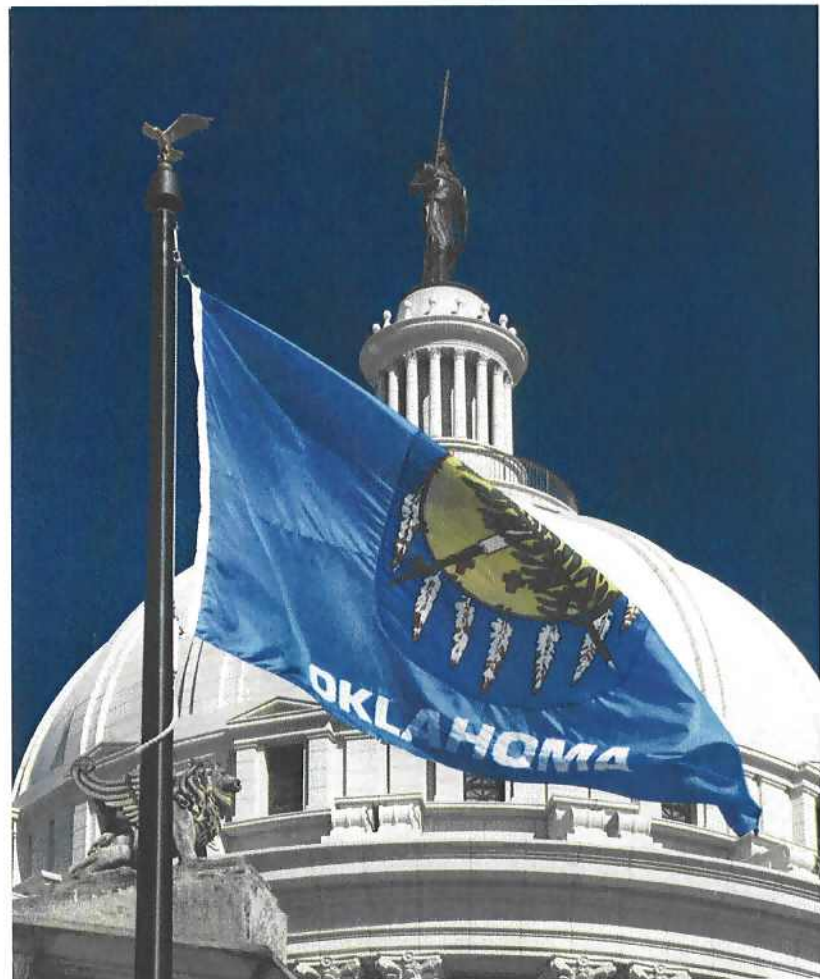


STATE OF OKLAHOMA
OFFICE OF THE STATE AUDITOR & INSPECTOR

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**PARDON AND
PAROLE BOARD**

JULY 1, 2003 THROUGH JUNE 30, 2004



JEFF A. McMAHAN, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

Pardon and Parole Board
Statutory Examination Report
For the Period July 1, 2003 to June 30, 2004

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

June 15, 2005

TO THE BOARD OF DIRECTORS OF PARDON AND PAROLE BOARD

Transmitted herewith is the Statutory Examination Report for Pardon and Parole Board. The procedures we performed were conducted pursuant to 74 O.S. § 212.

The Office of the State Auditor and Inspector is committed to serve 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,

JEFF A. McMAHAN
State Auditor and Inspector

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Background

The mission of the Pardon and Parole Board is to provide quality and timely information to the Board members and Governor for them to make informed clemency decision(s) on adult incarcerated felons.

The Board also has the responsibility to notify victims/representatives, offender's families, general public and critical justice agencies to allow them to provide input throughout the clemency process.

Board Members

SUSAN LOVING.....	CHAIR
LYNELL HARKINS.....	MEMBER
JAMES BROWN	MEMBER
CLINTON JOHNSON	MEMBER
RICHARD DUGGER	MEMBER
SUSAN BUSSEY	MEMBER
PATRICK MORGAN	MEMBER

Key Staff

TERRY JENKS.....	EXECUTIVE DIRECTOR
J.D. DANIELS.....	ASSISTANT DEPUTY DIRECTOR
DARLENE WHALEY	BUSINESS MANAGER
CARY PIRRONG.....	GENERAL COUNSEL
JUANITA LOZIER	ADMINISTRATIVE PROGRAMS OFFICER
KATHY MORTON	FIELD INVESTIGATOR SUPERVISOR
BOB CARRIERO.....	FIELD INVESTIGATOR SUPERVISOR
LISA READING.....	FIELD INVESTIGATOR SUPERVISOR



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

TO THE BOARD OF DIRECTORS OF PARDON AND PAROLE BOARD

For the purpose of complying with 74 O.S. § 212, we have performed the following procedures for the fiscal year 2004:

1. We reviewed internal controls over cash, receipts, and disbursements.
2. We tested a sample of deposits to determine they were properly posted to the financial records and had adequate supporting documentation.
3. We tested a sample of disbursements to determine they were properly posted to the financial records and had adequate supporting documentation.
4. We performed analytical procedures to test the reasonableness of payroll disbursements;

We also prepared a Schedule of Receipts, Disbursements and Changes in Cash from information obtained from the statewide CORE accounting system. This schedule has been included for informational purposes only.

Our procedures were limited to those defined above and were less in scope than would be necessary to express an opinion on any of the items referred to above or to express an opinion on the effectiveness of Pardon and Parole Board's internal control or any part thereof. Accordingly, we do not express such opinions. Alternatively, we have identified the procedures we performed and the finding resulting from those procedures.

Sincerely,

A handwritten signature in blue ink that reads "Jeff A. McMahan".

JEFF A. McMAHAN
State Auditor and Inspector

June 6, 2005

PARDON AND PAROLE BOARD

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH FOR THE YEAR ENDED JUNE 30, 2004

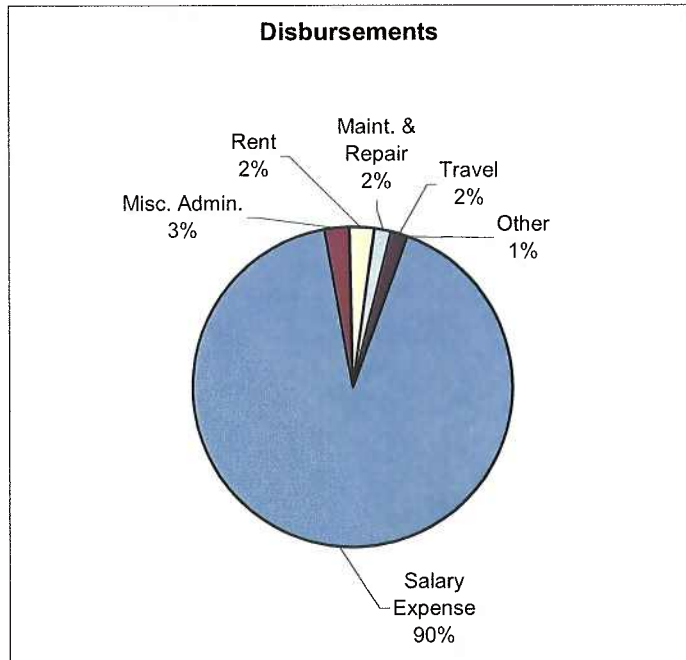
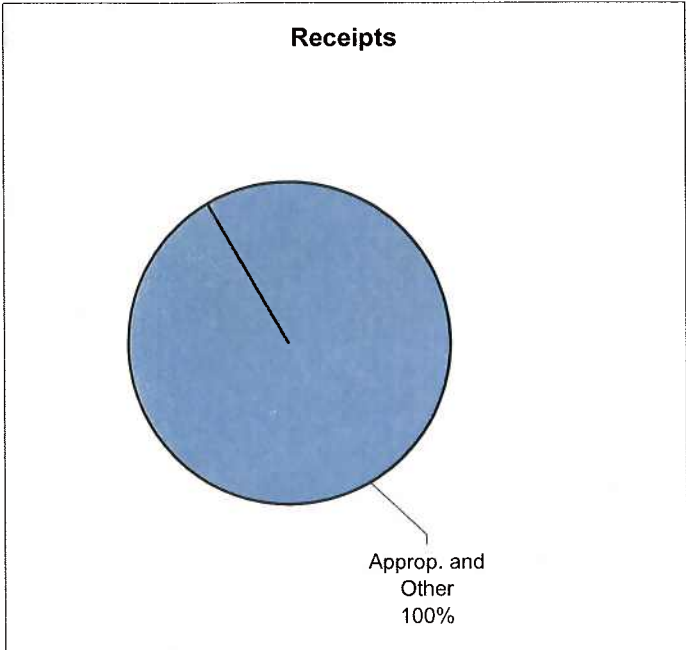
RECEIPTS:

Appropriations	2,142,337
Other	<u>1,291</u>
Total Receipts	<u>2,143,628</u>

DISBURSEMENTS:

Salary Expense	1,858,939
Misc. Administrative Expenses	52,339
Rent Expense	48,307
Maintenance and Repair Expense	34,541
Travel	34,383
Office Furniture and Equipment	21,120
Professional Services	12,181
Other	<u>1,194</u>
Total Disbursements	<u>2,063,004</u>

RECEIPTS OVER (UNDER) DISBURSEMENTS	80,624
CASH - Beginning of year	<u>79,665</u>
CASH - End of year	<u><u>160,289</u></u>



Findings/Recommendations

Finding #1

During our review of internal controls over revenues, we noted the agency did not maintain records for revenue received. Also, during testwork of disbursements the agency was unable to locate supporting documentation for the sample we selected. We did note however, that the agency is currently maintaining this documentation in fiscal year 2005. To ensure the accuracy of the agency's financial records, we recommend the agency continue to maintain accurate and reliable information for revenues and disbursements.

Management's Response:

Revenues

Records for a "clearing account" do not show that deposits were made in FY2004. Currently, accountability for each deposit is maintained and kept timely. Procedures are now in place so that itemized documentation can be easily obtained.

Disbursements

Records for disbursements that were made in FY2004 were maintained by a variety of temporary personnel, none of which are currently with our Agency. In November, 2004, a permanent, full-time employee was hired and the disbursement problems were addressed and resolved. Current organizational procedures have insured compliance with GAAS (generally accepted auditing standards).

Personnel Issues

The Business Manager for many years retired in July, 2003 and her position was left open. The Accountant resigned in December, 2003 and her position was left open. Current Business Manager was hired in March, 2004. The only employee remaining in the Business Office resigned in April, 2004. Temporary (999) employees were utilized for several months.

Currently, full-staffing has been achieved!

Business Manager	Hired: 03/08/2004
Acct. Tech. III	Hired: 06/01/05
Accountant I	Hired: 03/27/2005

Other Information

Clearing Account

The Pardon and Parole Board does not maintain a clearing account to deposit revenues collected on a daily basis. Revenue for this agency is 99.9% appropriated.

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