



OKLAHOMA PARDON AND PAROLE BOARD

Operational Audit

For the Period July 1, 2016 through June 30, 2019

Cindy Byrd, CPA
State Auditor & Inspector

**Audit Report of the
Oklahoma Pardon and Parole Board**

**For the Period
July 1, 2016 through June 30, 2019**

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Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov

August 5, 2020

TO THE OKLAHOMA PARDON AND PAROLE BOARD

We present the audit report of the Oklahoma Pardon and Parole Board for the period July 1, 2016 through June 30, 2019. 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



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Background

The Oklahoma Pardon and Parole Board (the Agency) was created in 1979 and is responsible for conducting impartial investigations and studies of applicants for commutations, pardons, or paroles; and recommending to the Governor those applicants worthy of clemency. The board also has the authority to grant parole for non-violent offenders.

Oversight is provided by a five-member board (the Board): three appointed by the Governor, one by the Chief Justice of the State Supreme Court, and one by the presiding Judge of the Court of Criminal Appeals.

Board members as of May 28, 2020 are:

Robert Gilliland.....	Chairman
Adam Luck.....	Vice Chairman
Kelly Doyle.....	Board Member
Larry Morris.....	Board Member
The Honorable C. Allen McCall.....	Board Member

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The following table summarizes the Agency's sources and uses of funds for fiscal years 2018 and 2019 (July 1, 2017 through June 30, 2019).

	2018	2019
Sources:		
Appropriations	\$ 2,183,864	\$ 2,333,154
Payroll Deductions	(2,948)	50
Total Sources	\$ 2,180,916	\$ 2,333,204
Uses:		
Personnel Services	\$ 1,684,264	\$ 1,715,459
Administrative Expenses	79,382	81,198
Professional Services	57,625	60,873
Travel	45,740	46,069
Property, Furniture, Equipment	7,416	14,317
Assistance, Payments to Local Govn'ts	6	50
Total Uses	\$ 1,874,433	\$ 1,917,966

Source: Oklahoma PeopleSoft 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, 2016 through June 30, 2019. In developing our objectives, we also performed a high-level review of revenue, expenditure and inventory data and processes, as well as review of applicable laws and regulations and related research, in identifying significant risks for detailed procedures.

Our audit procedures included inquiries of appropriate personnel and inspections of documents and records of the Oklahoma Pardon and Parole Board operations. Further details regarding our methodology are included under each conclusion.

We utilized sampling 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.

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OBJECTIVE I Determine whether payroll changes that have a financial impact are documented on the appropriate Human Capital Management forms and independently reviewed in line with GAO Standards for Internal Control.

Conclusion Payroll changes with a financial impact were documented on the appropriate Human Capital Management forms and independently reviewed in line with GAO Standards for Internal Control.

Objective Methodology To accomplish our objectives, we performed the following:

- Documented significant internal controls and documentation requirements related to payroll changes through discussion with staff and review of pertinent documentation.
- Confirmed Human Capital Management (HCM) form requirements for payroll changes with Office of Management and Enterprise Services HCM staff.
- Tested a random sample of 9 payroll changes with financial impact and requiring formal documentation (30% of the population of 28 such payroll changes) to determine whether they were documented on the proper HCM Form and were independently approved.

No findings were identified as a result of these procedures.

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OBJECTIVE II

Determine whether the chair and other members of the Pardon and Parole Board received appropriate compensation based on their attendance, in line with the requirements in 57 O.S. § 332.4.

Conclusion

The majority of payments to the chair and other members of the Pardon and Parole Board were made in accordance with 57 O.S. § 332.4.

However, due to limited documentation, we are unable to conclude as to whether payments for board members who were absent from a board meeting complied with the statute. Documentation of the chair's approval or disapproval of member absences from board meetings are not retained as required in Board Policy; see discussion below.

Objective Methodology

To accomplish our objectives, we performed the following:

- Discussed the board compensation processes with personnel, and reviewed related documentation, to determine how payments occur and how absences are tracked and approved.
- Reviewed the Agency's internal written procedures for board member absences.
- Reviewed internal spreadsheets tracking Board members' attendance.
- Reviewed board meeting minutes on the Agency's website and compared attendance to payroll reports from the State-Wide Accounting System.

FINDINGS AND RECOMMENDATIONS

No Documented Approval for Payments to Board Members Absent from Meetings

State statute 57 O.S. § 332.4 states that the Chairman of the Pardon and Parole Board should receive \$2,067 monthly, totaling \$24,800 annually, and Board members should receive \$1,900 monthly, totaling \$22,800 annually, to prepare for and attend monthly board meetings each calendar year. This statute also requires the Chairman to deem a member's first absence justifiably excused before payment can be made, and to approve any subsequent absences as constituting "extraordinary circumstances." Multiple absences not meeting these criteria are considered misconduct and may be grounds for removal from the Board.

According to the Agency, it is solely up to the Chairman to determine whether a reason for absence is justifiable or an extraordinary circumstance. The Agency's "Procedures for Board Absences" instruct Board members to notify the Chairman, Director, and Deputy Director

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via email as to why an absence is needed. The Chairman is then to respond to the Board member via email and to copy the Director and the Deputy Director on the email so documentation of the approval or disapproval of the absence can be maintained for audit purposes.

However, the Agency did not retain this correspondence during the audit period and was therefore unable to provide us the supporting documentation of the Chairman's approval or disapproval of absences.

We reviewed the board meeting minutes for calendar years 2016 through 2019 to determine member attendance. We then reviewed payroll records from the State-wide Accounting System to ensure Board members were paid appropriately as directed by 57 O.S. § 332.4.

- We found that Board members were properly paid for the meetings they attended.
- There were 14 Board member absences. For nine of those absences, the members received payment, and for the remaining five absences, they did not receive payment. In addition, we noted that three of the Board members were absent two or more times in a calendar year.

Without documentation supporting the 14 absences, we were unable to conclude as to whether the absences were deemed justifiably excused, prompting the payment of 9 of those absences for a total of \$17,100. The Agency could also find itself lacking key documentation in the event a Board member is removed from the Board due to excess absences being considered misconduct.

During the course of the audit, Agency management stated that they would begin including the emails supporting absences with the monthly payroll packets in the future. This is positive step by management in addressing this concern.

Recommendation

The Agency has written procedures in place to meet the requirements laid out in 57 O.S. § 332.4. We recommend the Agency adhere to their written procedures and plan for retaining email support to document approval or disapproval of Board member absences.

Views of Responsible Officials

In the monthly Board meeting minutes, where Board member attendance is duly recorded, staff will include a record of whether any absences were excused or unexcused.

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