



# Agreed-Upon Procedures Report

## Oklahoma State Board of Perfusionists

July 1, 2004 through June 30, 2006



Office of the Oklahoma State Auditor and Inspector  
Jeff A. McMahan, CFE

**Oklahoma State Board of  
Perfusionists**

**Agreed-upon Procedures Report**

**For the Period  
July 1, 2004 through June 30, 2006**



STATE OF OKLAHOMA  
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN  
State Auditor and Inspector

April 19, 2007

**TO THE OKLAHOMA STATE  
BOARD OF PERFUSIONISTS**

Transmitted herewith is the agreed-upon procedures report for the Oklahoma State Board of Perfusionists. 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,

A handwritten signature in black ink, appearing to read 'Jeff A. McMahon'.

JEFF A. McMAHAN  
State Auditor and Inspector

### **Mission Statement**

To regulate the practice of perfusion, issue licensure where appropriate, and assure the public that the practice of perfusion will be conducted with reasonable skill and safety.

### **Board Members**

Steve Hawley, L.P.....	Chairman
Richard Burns, L.P.....	Vice-Chairman
Steve Austin.....	Secretary
Bill Fiddler.....	Member
Robert Garrett, M.D.....	Member
James Hartsuck, M.D.....	Member
Ron Lawson, L.P.....	Member
A.L. Bennett.....	Public Member

### **Key Staff**

Lyle Kelsey, CAE, CMBE.....	Executive Director
Reji Varghese.....	Business Manager



STATE OF OKLAHOMA  
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN  
State Auditor and Inspector

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by management of the Oklahoma State Board of Perfusionists (Board), solely to assist you in evaluating your internal controls over the receipt and disbursement process, the safeguarding of capital assets, and in determining whether selected receipts and disbursements are supported by underlying records for the period July 1, 2004 through June 30, 2006. This agreed-upon procedures engagement was conducted in accordance with standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We compared the Board's internal controls over receipts and disbursements with the following criteria:
  - Accounting duties were segregated by functions into those who initiate or authorize transactions; those who execute transactions; and those who have responsibility for the asset, liability, expenditure, or revenue resulting from the transaction;
  - Receipts were issued for cash and/or checks received;
  - Incoming checks were restrictively endorsed upon receipt;
  - Receipts not deposited daily were safeguarded;
  - Voided receipts were retained;
  - 10% of the gross fees charged, collected and received were deposited to the State's General Revenue Fund;
  - Receipts and disbursements were reconciled to Office of State Treasurer and Office of State Finance (OSF) records;
  - Disbursements were supported by an original invoice;
  - Timesheets were prepared by employees and approved by supervisory personnel.

Segregation of duties is a basic control that prevents or detects errors, improprieties, and fraud. Based on inspection of CORE financial and HR system security access settings, we found employees with incompatible roles within the CORE PeopleSoft system. We recommend the Board be aware of this condition and realize the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. Under these conditions, the most effective controls lie in the Board's knowledge and periodic review of operations.

**Views of Responsible Officials** - The Board is aware of this condition. Monthly review of financial transactions by the Executive Director and periodic review of reports by the board will ensure oversight of financial transactions entered by the staff.

With respect to the other procedures applied, there were no findings.

2. We compared the Board's internal controls over the safeguarding of capital assets with the following criteria:
  - Inventory records were maintained for capital assets costing \$500 or more;
  - Packing slips were compared to the purchase order when capital assets were received;
  - Inventory records were adjusted promptly when capital assets were acquired, retired, sold, or transferred;
  - Obsolete or unusable assets were disposed of through the Department of Central Services' Surplus Property Division;
  - Physical inventories were performed;
  - Differences between physical inventory counts and inventory records were resolved.

There were no findings as a result of applying the procedures.

3. We randomly selected 20 deposits. Seventeen of the deposits were manually processed and we:
  - Compared the Treasurer's deposit date to agency deposit slip date to determine if dates were within one working day.
  - Examined receipts to determine if they were pre-numbered and issued in numerical order.
  - Agreed cash/check composition of deposits to the receipts issued.
  - Agreed the total receipts issued to the deposit slip.
  - Inspected agency receipts to determine whether receipts of \$100 or more were deposited on the same banking day as received.
  - Inspected agency receipts to determine whether receipts of less than \$100 were deposited on the next business day when accumulated receipts equaled \$100 or after five business days, whichever occurred first.
  - Inspected agency receipts to determine whether receipts were safeguarded.
  - Compared the fund type to which the deposit was posted in CORE to the CAFR fund type listing for consistency;
  - Compared the nature of the deposit to the account code description to determine consistency.

Three of the license renewals made through the Board's website and we:

- Agreed the credit card and/or EFT report generated by OSF to the Board generated online renewal report.

There were no findings as a result of applying the procedures.

4. We recalculated the required percentage/amount to be deposited to the State's General Revenue Fund and agreed it to the amount transferred to the General Revenue Fund.

There were no findings as a result of applying the procedures.

5. We inspected 11 vouchers and:
  - Compared the voucher amount and payee to the invoice amount and payee;
  - Compared the voucher amount and payee to the CORE system;
  - Compared the fund type to which the disbursement was charged in CORE to the CAFR fund type listing for consistency;

- Compared the nature of the purchase to the account code description to determine consistency.

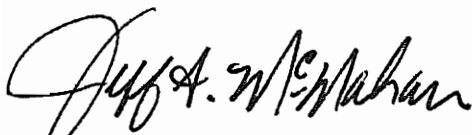
There were no findings as a result of applying the procedures.

6. We compared salaries set by statute to the actual salary paid to determine the statutory limit was not exceeded.

There were no findings as a result of applying the procedures.

We were not engaged to, and did not, conduct an examination or a review, the objective of which would be the expression of an opinion or limited assurance on the cash, receipts, and disbursements, and capital assets for the agency. Accordingly, we do not express such an opinion or limited assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of the Board and should not be used for any other purpose. This report is also 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.



JEFF A. McMAHAN  
State Auditor and Inspector

April 10, 2007



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