

**OKLAHOMA
DEPARTMENT OF
REHABILITATION
SERVICES**

**OKLAHOMA SCHOOL
FOR THE BLIND
(PARKVIEW SCHOOL)**

MUSKOGEE, OK

**JULY 1, 2006 THROUGH
JUNE 30, 2008**



SPECIAL AUDIT



Oklahoma State Auditor
& Inspector

OKLAHOMA DEPARTMENT OF REHABILITATION SERVICES

**OKLAHOMA SCHOOL FOR THE BLIND
(PARKVIEW SCHOOL)
MUSKOGEE, OKLAHOMA**

SPECIAL AUDIT REPORT

JULY 1, 2006 THROUGH JUNE 30, 2008

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

June 2, 2009

Honorable Drew Edmondson
Attorney General – State of Oklahoma
313 NE 21st Street
Oklahoma City, Oklahoma 73105-4894

Transmitted herewith is the Special Audit Report of the Oklahoma Department of Rehabilitation Services, Oklahoma School for the Blind (Parkview School), Muskogee, Oklahoma. We performed our special audit in accordance with the requirements of **74 O.S. § 18f**.

A report of this type tends to be critical in nature; however, failure to report commendable features in the present accounting and operating procedures of the entity should not be interpreted to mean they do not exist.

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, which is accountable to the people of the State of Oklahoma.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our Office during the course of our special audit.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

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OKLAHOMA DEPARTMENT OF REHABILITATION SERVICES COMMISSION MEMBERS

Honorable Steve Shelton Chair
Honorable Ben C. White Vice Chair
Honorable Ray Kirk.....Member

DIRECTOR

Michael O'Brien

SUPERINTENDENT

Karen Kizzia

STATE AUDITOR AND INSPECTOR

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Oklahoma Department of Rehabilitation Services
Oklahoma School for the Blind (Parkview School)
Ms. Karen Kizzia, Superintendent
3300 Gibson Street
Muskogee, Oklahoma 74403

Dear Ms. Kizzia:

Pursuant to the Attorney General's request and in accordance with the requirements of **74 O.S. § 18f**, we performed a special audit with respect to the Oklahoma Department of Rehabilitation Services, Oklahoma School for the Blind (Parkview School), Muskogee, Oklahoma for the period July 1, 2006 through June 30, 2008.

The objectives of our special audit primarily included, but were not limited to, the objectives expressed by the Attorney General. Our findings related to these procedures are presented in the accompanying report.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, we do not express an opinion on the account balances or financial statements of the Oklahoma Department of Rehabilitation Services, Oklahoma School for the Blind (Parkview School), Muskogee, Oklahoma for the period July 1, 2006 through June 30, 2008. Further, due to the test nature and other inherent limitations of a special audit report, together with the inherent limitations of any internal control structure, there is an unavoidable risk that some material misstatements may remain undiscovered. This report relates only to the accounts and items specified above and do not extend to any financial statements of the School.

This report is intended solely for the information and use of the Attorney General, the Oklahoma Department of Rehabilitation Services, Oklahoma School for the Blind (Parkview School), and its administration 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.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

January 14, 2009

**OKLAHOMA DEPARTMENT OF REHABILITATION SERVICES
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INTRODUCTION

Oklahoma School for the Blind is a division of the Oklahoma Department of Rehabilitation Services. The School's mission is to meet the educational needs of blind and visually impaired students who are residents of the State by providing a program to help students reach their maximum potential.

Located in Muskogee, the Oklahoma School for the Blind (OSB), also known as Parkview School, provides residential and day education, satellite pre-school and outreach programs at no charge for Oklahoma children from infancy through 12th grade who are blind or visually impaired. OSB's goal is to help students reach their maximum potential.

At its main campus, OSB offers a comprehensive curriculum of reading, language arts, mathematics, social studies, science, physical education, music and computer science for residential and day students. Specialized instruction includes: Braille, orientation and mobility, optimum use of low vision, adaptive equipment and technology, and tactile graphic skills. OSB transports students home for weekends and holidays.

The School serves as a resource center for students statewide with visual impairments who do not attend OSB. Outreach staff provides consultation, curriculum assistance, classroom modifications and assistance with technical equipment. Students receive free evaluations on academic achievement, orientation and mobility, low vision, psychological profiles and living skills. Early intervention services are provided to young students to help them prepare for school.

The Oklahoma State Auditor and Inspector (OSAI) conducted a special audit of the records of the School, primarily those records relating to the objectives expressed by the Attorney General. The results of the special audit are in the following report.

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OBJECTIVE

Review for possible irregularities with the School's employee overtime compensation practices.

FINDING

OSAI obtained two (2) reports from the Oklahoma Department of Rehabilitation Services denoting Compensation Time Earned (CTE) and Compensation Time Taken (CTT) for the Oklahoma School for the Blind (OSB) employees. In addition, OSB maintains an "in-house" schedule for employees earning compensation time for the Superintendent's review. OSAI utilized these reports and selected employees (18) earning 100 hours or more in compensation time for examination.

Employee timesheets were obtained to insure that correct CTE's and CTT's were properly approved by the direct supervisor and/or manager and entered into the OSB's database accurately. From test work performed, it was noted that the employee overtime and/or compensation time earned and taken did not always agree to the date and hours as entered into the OSB's database. However, of the 18 employees tested, the employees' overtime and/or compensation time earned was properly approved by a supervisor and/or manager as required by the Oklahoma Department of Rehabilitation Services policy DRS:3-3-30 (h), which states:

(h) Overtime compensation, FLSA non-exempt employees.

It is the policy of the State of Oklahoma and the DRS to utilize work week adjustments whenever possible to avoid overtime work by FLSA non-exempt employees, 3 and, where work week adjustments are not possible, to grant employees compensatory time at the rate of one and one-half times the number of overtime hours worked. 4 Payment for overtime work is only made as required by the FLSA, State Law, or Merit Rules, or when authorized by the Director or designee. (Footnotes to Instructions to Staff omitted.)

RECOMMENDATION

OSAI recommends OSB review the Compensation Time Earned and Compensation Time Taken reports on a monthly basis to ensure that compensated leave balances are correctly entered. OSAI further recommends that OSB adhere to their policy DRS:3-3-30 (h) and utilize work week adjustments when possible.

FINDING

During the school year, OSB maintains a twenty-four hour facility Monday through Friday. In addition to their regular schedules, Direct Care Specialists (DCS) and Independent Living Instructors (ILI) are rotated monthly to drive students to their home destinations across the State. OSB has one full-time certified bus driver. Approximately six routes are in progress on Friday and Sunday afternoon. OSB's Superintendent stated that she prefers, if available, to have one driver and a chaperone with each trip (especially the long route to Lawton) to insure the children's

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safety. This condition causes the need of overtime for some Direct Care Specialists and Living Instructor employees.

OSAI spoke with Michael Donahue, Director of Residential Life who is in charge of the DCS and bus routes along with Karen Kizzia, Superintendent, to ascertain the process of who receives overtime. OSAI was informed that a few employees preferred not to work overtime while some are eager for the extra hours. Many employees expend their compensatory time earned by taking the hours off during the summer, while School is out to save on their annual leave. In addition, there are mandatory days that all employees must take annual leave while school is out for various holidays.

In September 2008, prior to OSAI's audit engagement; a memo was posted by Mike Donahue informing DCS staff of possible overtime hours for the Lawton bus route. It states:

The Lawton Run on Fridays is done on a monthly rotation. ILS had August, 2nd Shift will have September and 1st Shift will have October. Anyone on the night shift desiring to drive/chaperone, please let me know. The individual making this run must be able to drive the van.

Also, OSB maintains a rotational bus driver shift roster that rotates some employees for overtime hours every week and weekend.

Though there are a few employees that earn more compensatory hours than others, it appears that an opportunity for overtime is given to all full-time employees if requested.

RECOMMENDATION OSAI recommends overtime schedule sign-up sheets be maintained, and work week adjustment utilized when possible.

FINDING OSB has two (2) temporary bus drivers. The first is also employed as a bus driver for Muskogee Public Schools. The second is retired and owns a business. OSAI obtained Muskogee Public School's and OSB's calendar for the years 2006 through 2008 to ensure that the first bus driver was not paid for the same hours and/or days by OSB when working for Muskogee Schools. OSAI reviewed OSB's timesheets for the same bus driver and compared them to Muskogee's calendar. OSAI found that on August 28, 2006, the bus driver claimed he worked for OSB 10.5 hours on a Monday. He also claimed 8 hours worked for the same day on his Muskogee Public Schools timesheet. After further review, OSB sent OSAI that month's bus trip tickets. It was noted that the bus driver did not work on August 28, 2006 but worked on August 27, 2006. It appears the bus driver erroneously input time on the wrong date and did not claim time for both Schools.

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RECOMMENDATION OSAI recommends that timesheets be reviewed for accuracy by the supervisor and/or manager to ensure that correct amounts and dates are entered.

FINDING DRS also maintains a Comp Time Aged Report for each full-time employee as required by **74 O.S. § 840-2.15(C)** of the **Oklahoma Personnel Act**, which states:

C. An employee receiving compensatory time under the provisions of subsection A of this section shall be permitted to use accrued compensatory time within one-hundred-eighty (180) days following the pay period in which it was accrued, provided the taking of compensatory time does not unduly impact agency operations or the health, safety or welfare of the public, or endanger public property. Agencies shall not be allowed to extend this one-hundred-eighty-day time period. The balance of any unused compensatory time received but not taken during this time period shall be paid to the employee at the employee's current regular hourly rate.

OSAI found no conflict by OSB with the above-cited statute. It appears all full-time employees at OSB expend their compensation time within the 180-day time period.

DISCLAIMER Throughout this report there are references to state statutes and legal authorities, which appear to be potentially relevant to issues raised by the Attorney General and reviewed by this Office. The State Auditor and Inspector has no jurisdiction, authority, purpose or intent by the issuance of this report to determine the guilt, innocence, culpability or liability, if any, of any person or entity for any act, omission, or transaction reviewed and such determinations are within the exclusive jurisdiction of regulatory, law enforcement, and judicial authorities designated by law.

The inclusion of cites to specific statutes or other authorities within this report does not, and is not intended to, constitute a determination or finding by the State Auditor and Inspector that the Oklahoma Department of Rehabilitation Services, Oklahoma School for the Blind (Parkview School) or any of the individuals named in this report or acting on behalf of the School have violated any statutory requirements or prohibition imposed by law. All cites and/or references to specific legal provisions are included within this report for the sole purpose of enabling the Administration and other interested parties to review and consider the cited provisions, independently ascertain whether or not the School's policies, procedures or practices should be modified or discontinued, and to independently evaluate whether or not the recommendations made by this Office should be implemented.



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