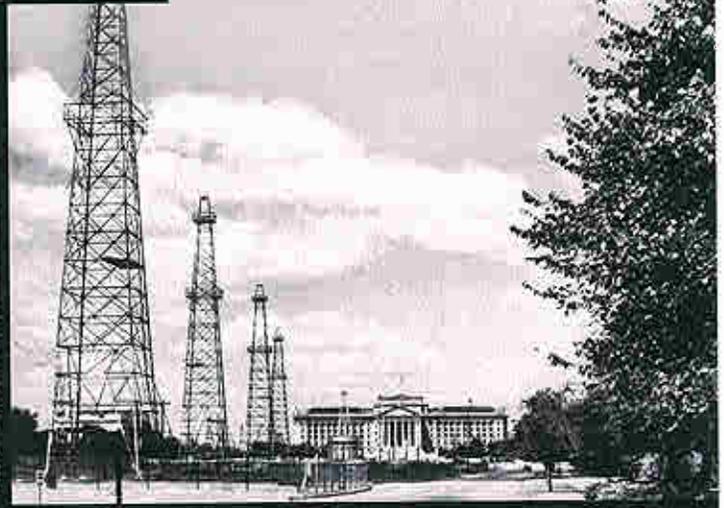


Agreed-Upon Procedures  
Report

# Oklahoma Secretary of State

July 1, 2005 Through  
December 31, 2006



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

**Oklahoma Secretary of State**  
**Agreed-upon Procedures Report**  
**For the Period**  
**July 1, 2005 to December 31, 2006**

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STATE OF OKLAHOMA  
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN  
State Auditor and Inspector

June 28, 2007

**TO THE HONORABLE M. SUSAN SAVAGE, SECRETARY OF STATE**

Transmitted herewith is the agreed-upon procedures report for the Secretary of State. 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 that reads "Jeff A. McMahan".

JEFF A. McMAHAN  
State Auditor and Inspector

**Mission Statement**

To provide quality service to the public by maintaining a central registry of official documents and administering an address confidentiality program for the State of Oklahoma.

**Key Staff**

M. Susan Savage..... Oklahoma Secretary of State  
Michelle Waddell..... Executive Assistant to the Secretary of State  
Robbie Tittle .....Director of Finance  
Brenda Coffman..... Program Director  
Peggy Coe.....Managing Editor of the Oklahoma Administrative Code/Register  
Kathy Jekel ..... Director of Executive/Legislative Services  
Todd Wall .....Director of Information Systems  
Vickie McAfee..... Administrative Programs Officer



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 Secretary of State, solely to assist you in evaluating your internal controls over the receipt and disbursement process, and in determining whether selected receipts and disbursements are supported by underlying records for the period July 1, 2005 to December 31, 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 Secretary of State'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;
  - Receipts and disbursements were reconciled to Office of State Treasurer and Office of State Finance records;
  - Disbursements were supported by an original invoice;
  - Timesheets were prepared by employees and approved by supervisory personnel.

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

2. We randomly selected 20 deposits and:
  - 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.

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

3. We randomly selected 60 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.

A component objective for proper accounting of funds is consistent use of account codes. We noted four expenditures with inconsistent account codes. The four expenditures were coded 515440 for consultants, rather than 515570 for temporary employees. Miscoded expenditures may cause inconsistent accounting of funds. We recommend the Secretary of State's office use consistent account codes to record expenditures.

**Management Response:**

In the future the Secretary of State will use account code 515570 - Employment Placement to record the expenditure for temporary clerical employees.

A Change Order was processed for Purchase Order 625900278 to correct the Account Code. Expenditure corrections were processed for FY 2007 vouchers to change the account code from 515440 - Other Management Consulting Services, to 515570 - Employment Placement.

4. We compared salaries set by statute, if any, to the actual salary paid to determine the statutory limit was not exceeded.

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

5. We randomly selected one employee who appeared on the December 2006 payroll but not on the July 2005 payroll and observed the initial "Request for Personnel Action" (OPM-14) or equivalent form to determine it was signed by the appointing authority.

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

6. We randomly selected one employee who appeared on the July 2005 payroll but not on the December 2006 payroll and:
  - Observed the final "Request for Personnel Action" (OPM-14) or equivalent form to determine it was signed by the appointing authority.
  - Observed the main payroll funding sheet for the month subsequent to termination to determine employee no longer appeared.

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

7. We randomly selected four employees whose gross salary at December 2006 had increased since July 2005 (excluding legislative pay raises) and observed the "Request for Personnel Action" (OPM-14) or equivalent form to determine it was signed by the appointing authority.

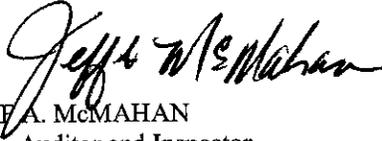
There were no findings as a result of applying the procedures.

8. We randomly selected four employees from the December 2006 payroll and agreed the amount paid to the "Request for Personnel Action" (OPM-14) or equivalent form that was in effect for December 2006.

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 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 Secretary of State 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

June 28, 2007