



# Oklahoma State Auditor & Inspector

News Release

For Immediate Release

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## State Auditor Gary Jones Takes Ethical Stance to Step Aside on Health Department Special Audit

Ethics and Independence are the cornerstone of the work we do at the Office of the State Auditor & Inspector. As such, every audit our office conducts must be beyond reproach, without interference from outside parties. We conduct audits on behalf of Oklahoma taxpayers, not agency heads, governing boards or elected officials. As a result, we are free from certain influences which might seek to compromise our independence.

At issue is whether the personal bias of the auditor might impair his or her judgment in adequately and appropriately reporting on the content of the audit.

I can tell you I personally have one overriding bias – to find the truth and report it without fear of consequence. During my time as State Auditor, we have not changed an audit finding or omitted facts to convenience the client.

Auditors document everything. We check every finding to ensure every item contained in an audit report is fully supported. I prefer for the final audit report to speak for itself because the truth is its own defense.

The audit process is often slow and methodical. While a financial statement audit is limited, by its very nature, in both scope and depth, auditing standards do provide a vehicle by which an auditor can be informed by management of concerns regarding the financial status or health of the entity that is subject to the audit.

In conducting our audit of the state's FY17 Comprehensive Annual Financial Report (CAFR), the potential of significant fiscal mismanagement at the Oklahoma State Department of Health was brought to our attention. We had an obligation to review the information in order to confirm its content.

When that review substantiated that the agency was unlikely to meet its payroll obligations within a few months, we determined the situation was outside the normal conditions we encounter in an audit and warranted specific treatment.

Auditing standards require that we communicate such matters to the appropriate level of management. In this matter, that person was the state's Cabinet Secretary for Finance who also served as the Director of the Office of Management and Enterprise Services (OMES) and was, effectively, the person who has ultimate responsibility for the State's accounting and financial reporting.

Since that time, considerable grandstanding has occurred to both obscure the facts of this matter and to deflect the focus from finding a solution. This is not the time for any public official to try to manage either the public narrative or the outcome of this investigation.

While, for me, this process is not personal, it may appear to be so because of what has been labeled “finger pointing” and “the blame game” – particularly when it became clear that the breadth of this matter could not be controlled or contained.

I treasure the standards by which we conduct business. I know the level of professionalism and integrity we maintain within the State Auditor’s Office. While I’m confident my personal independence and the independence of this office have not been compromised, the work we do is too important for even the appearance that a personal bias might impair the audit process or product.

To ensure the integrity and public confidence of the special audit currently being conducted of OSDH, I have decided to remove myself from the audit process and the review and release of the final report. Those comprehensive oversight responsibilities have been turned over to the Deputy State Auditor for State Agency Audits. This is professional, not personal, so I will learn of the content of the investigative audit when the audit is released.

As State Auditor, I made a similar decision one other time when my public comments about spending by former Attorney General Scott Pruitt were called into question at the time we were about to begin an audit of his agency.

We do not conduct audits in the open or in the media and that cannot be allowed to happen here.

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