

## *Oklahoma School of Science and Mathematics*

### EXECUTIVE SUMMARY

#### OBJECTIVE

Determine whether internal controls at the Oklahoma School of Science and Mathematics (OSSM) provided reasonable assurance that expenditures (both miscellaneous and payroll) and inventory were accurately reported in the accounting records.

During our planning process, concerns were brought to our attention regarding the agency's operations and control environment, and additional detailed procedures were developed to address those concerns. Read the full audit report at <https://www.sai.ok.gov>.

#### WHAT WE FOUND

- **Harmful tone at the top of the agency, perpetuated primarily by the audit period Vice President of Administrative Services**

See page 5. Issues involving the VP were brought to the attention of those charged with governance during the engagement and he has since resigned.

- **Weaknesses in processes for independently approving payroll and other expenditures and tracking and safeguarding assets**

This included questionable timekeeping and pay raises for financial staff. Details begin on page 10.

- **Opportunities for improvement in oversight, communication, and development of formal policies and procedures**

See information throughout report.

#### ENGAGEMENT BACKGROUND

This 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 focused on the major financial-related areas of operations based on assessment of materiality and risk for the period July 1, 2014 through June 30, 2018.

#### WHAT WE RECOMMEND

We recommend those charged with governance:

- Evaluate and improve OSSM's control environment and internal communication.
- Develop policies and procedures to formalize and support those improvements.
- Improve financial internal control activities as outlined in the report, considering any structural changes that have occurred since the audit period.
- Consider topics for further consideration compiled on page 18.

Throughout our procedures and meetings, the president and board members were cooperative and clearly invested in OSSM's improvement. They have made steps and expressed further plans to improve the environment and processes at the agency, as further detailed in their responses.