

# PENDING APPROVAL

## OKLAHOMA COUNTY BOARD OF COUNTY COMMISSIONERS AGENDA ITEM REQUEST SHEET

For the February 24, 2010 Agenda

DEPT. \_\_\_\_\_ BY \_\_\_\_\_ EXT. \_\_\_\_\_

NAME OF FUNDS: \_\_\_\_\_ FUND CODES: \_\_\_\_\_

REQUISITION NO. \_\_\_\_\_ REQUISITION SHEET MUST BE ATTACHED (If applicable)

AGENDA ITEM DESCRIPTION:

*Discussion and possible action authorizing Chairman's signature in response to State Auditor and Inspector's Payroll Audit Findings Repeat Reportable for the Oklahoma County Clerk's office and the Oklahoma County Sheriff's office Audit Findings.*

*This item requested by Ray Vaughn, Chairman.*

**(ALL NECESSARY DOCUMENTATION MUST BE ATTACHED FOR APPROVAL)**

APPROVED BY D.A.  
(If Applicable)

APPROVED BY ENGINEER  
(If Applicable)

APPROVED BY PURCHASING  
(If Applicable)

\_\_\_\_\_  
Assistant District Attorney

\_\_\_\_\_  
County Engineer

\_\_\_\_\_  
Purchasing Agent

NOTE: A COMMISSIONER MUST APPROVE ALL EMERGENCY REQUESTS FOR ANY ITEM SUBMITTED AFTER THE DEADLINE **(THE DEADLINE IS 9:00 A.M. ONE WEEK PRIOR TO THE DATE THAT THE AGENDA IS TO BE POSTED)**

DATE OF REQUEST: 19 Feb '10

APPROVED BY: Raymond L. Vaughn  
COUNTY COMMISSIONER

Number of original documents to be returned to your department: \_\_\_\_\_

Special Instructions: \_\_\_\_\_

# PENDING APPROVAL



## BOARD OF COUNTY COMMISSIONERS OKLAHOMA COUNTY

320 ROBERT S. KERR AVENUE, SUITE 101  
OKLAHOMA CITY, OKLAHOMA 73102-3441

### COMMISSIONERS

WILLA JOHNSON  
DISTRICT 1

BRIAN MAUGHAN  
DISTRICT 2

RAY VAUGHN, Chairman  
DISTRICT 3

February 24, 2010

Marla Latham  
Audit Manager-Oklahoma County  
217 N. Harvey, Room 209  
Oklahoma City, OK 73102

### **Re: State Auditor and Inspector's Payroll Audit Finding Repeat Reportable**

*The Oklahoma County Clerks Office on behalf of Oklahoma County purchased Oracle HRIS software which includes Advanced Benefits, Time and Labor, and Self-Service. The county is in the process of implementing Oracle HRIS doing payroll configuration and cleanup. The next step will be to implement Oracle Self-Service. When the project started we discovered the Oracle version the county used was out-of-date. The Clerks Office on behalf of Oklahoma County has had to upgrade Oracle to a current version, migrate to an Oracle Linux platform and purchase new servers to accommodate this change. We anticipate the county's use of the new Oracle HRIS will resolve these audit findings before fiscal year end.*

Board of County Commissioners  
Oklahoma County  
Raymond L. Vaughn, Chairman

ATTEST:

\_\_\_\_\_  
Carolynn Caudill, County Clerk

\_\_\_\_\_  
Date

# PENDING APPROVAL

<b>FINANCIAL AUDIT FINDING INPUT SHEET FISCAL YEAR 2009</b>	<b>REPORTABLE FINDING:</b>		X-Ref:
			Prepared by:
		Significant Deficiency	Reviewed by:
		Material Weakness	
		Compliance	Reviewed by:
	Date Delivered:		Reviewed by:
	Projected Costs:		Document No.
<b>NON-REPORTABLE:</b>			
Reason: Discussion Item Only			

**Reference Number:** Payroll-1  
**Department:** County Clerk  
**Fund Type:** Payroll  
**Other Information:** Repeat Reportable

**Criteria:** A component objective of an effective internal control system is to provide accurate and reliable information. Internal controls are designed to analyze and check accuracy, completeness, and authorization of payroll calculations and/or transactions.

**Condition:** During the examination of internal controls over processing of payroll, we noted certain weaknesses in that:

- 1) Each department submits a monthly payroll claim; however, controls are not in place to verify the accuracy of the payroll calculations that have been submitted by the individual department.
- 2) No controls are in place to check the accuracy of the leave balances submitted for payment by the individual department when an employee has been terminated.

This is a repeat finding from previous years and has not been corrected.

**Effect:** This condition could result in unrecorded transactions, misstated payroll records, or undetected errors.

**Recommendation:** We recommend Oklahoma County implement internal controls that will ensure that all payroll calculations and/or transactions which are submitted by each department are properly checked for accuracy, completeness, and authorization. Our recommendation includes creating a centralized payroll department that has use of an automated, integrated payroll system. The accuracy of the time records can also be accomplished by independent oversight until an integrated resource information system is implemented.

**Views of Responsible Officials(s)**  
**Contact Person:**  
**Anticipated Completion Date:**  
**Corrective Action Planned:**

# PENDING APPROVAL

<b>Officer: OK County</b>	<b>INTERNAL CONTROL</b>
<b>Test: Payroll-Internal Controls</b>	
<b>08-07 Repeat Reportable Finding</b>	

## **Finding 2008-7—Payroll-Internal Controls (Repeat Finding)**

Criteria: A component objective of an effective internal control system is to provide accurate and reliable information. Internal controls are designed to analyze and check accuracy, completeness, and authorization of payroll calculations and/or transactions.

Condition: During the examination of internal controls over processing of payroll, we noted certain weaknesses in that:

- 1) Each department submits a monthly payroll claim; however, controls are not in place to verify the accuracy of the payroll calculations that have been submitted by the individual department.
- 2) No controls are in place to check the accuracy of the leave balances submitted for payment by the individual department when an employee has been terminated.

This is a repeat finding from previous years and has not been corrected.

Effect: This condition could result in unrecorded transactions, misstated payroll records, or undetected errors.

Recommendation: OSAI recommends Oklahoma County implement internal controls that will ensure that all payroll calculations and/or transactions which are submitted by each department are properly checked for accuracy, completeness, and authorization. Our recommendation includes creating a centralized payroll department that has use of an automated, integrated payroll system. The accuracy of the time records can also be accomplished by independent oversight until an integrated resource information system is implemented

“For Discussion Only”

# PENDING APPROVAL

OKLAHOMA STATE AUDITOR AND INSPECTOR  
217 N. HARVEY, SUITE 209  
OKLAHOMA CITY, OKLAHOMA 73102  
PHONE 405-713-1833 FAX 405-713-2291

Oklahoma County BOCC Chairman:

## REPORTABLE FINDINGS

During our audit for the fiscal year ended June 30, 2009, we noted matters involving internal controls and operational matters that are presented for your consideration. These comments and recommendations, which have been discussed with the appropriate officials, are intended to improve internal controls or result in operating efficiencies and are summarized below.

<b>Officer: OK County Sheriff</b>	<b>INTERNAL CONTROL</b>
<b>Test: Sheriff Consumable Inventory</b>	
<b>09-01 Reportable Finding</b>	

Criteria: Safeguarding controls are an aspect of internal controls. Effective internal controls would consist of an accurate inventory count being maintained and proper documentation to support changes in inventory.

Condition:

### Fleet

Based on test work performed, we were unable to reconcile four (4) of the twenty (20) items (selected for test work) to the June 30, 2009 inventory amount.

### Commissary

Based on test work performed, we were unable to reconcile seventeen (17) of the twenty (20) items (selected for test work) to the June 30, 2009 inventory amount.

Effect: Without accurate inventory tracking the department personnel would not be able to detect improprieties and/or errors in the inventory.

Recommendation: We recommend the Sheriff's office implement adequate controls, in all inventory areas, that include the maintaining of proper inventory documentation, the reconciling of inventory items each month, and a continual tracking total of items on hand.

“For Discussion Only”

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WILLA JOHNSON  
DISTRICT 1

BRIAN MAUGHAN  
DISTRICT 2

RAY VAUGHN, Chairman  
DISTRICT 3

February 19, 2010

Re: Sheriff's office REPORTABLE FINDINGS FY 08-09

### **Officer: Oklahoma County Sheriff**

**REF NO: 1**

**COUNTY: Oklahoma County-Sheriff Consumable Inventory Areas (Fleet and Commissary)**

**Criteria:** Safeguarding controls are an aspect of internal controls. Good internal controls would consist of an accurate inventory count be maintained and proper documentation to support changes in inventory be maintained.

**Condition:**

**Fleet**

Based on test work performed, we were unable to reconcile four (4) of the twenty (20) items (selected for test work) to the June 30, 2009 inventory amount.

**Commissary**

Based on test work performed, we were unable to reconcile seventeen (17) of the twenty (20) items (selected for test work) to the June 30, 2009 inventory amount.

**Effect:** Without accurate inventory tracking the department personnel would not be able to detect fraudulent activity and/or errors in the inventory.

**Recommendation:** We recommend the Sheriff's Office implement adequate controls, in all inventory areas, that include proper inventory documentation be maintained, the inventory items be reconciled each month and a continual tracking total of items on hand.

# PENDING APPROVAL

**Officer: Oklahoma County Sheriff**

**RESPONSE to REF NO: 1**

**COUNTY: Oklahoma County-Sheriff Consumable Inventory Areas (Fleet and Commissary)**

***Response – FLEET:***

The Sheriff's Office has implemented procedural changes to ensure adequate inventory controls and purchased metering pumps to adequately monitor fluid levels for inventory purposes.

***Response – COMMISSARY:***

The Sheriff's Office is consistently monitoring and adjusting inventory procedures for Commissary as it relates to EJIS (Jail Management System) for inventory control. Currently, EJIS is not capable of maintaining adequate inventory control without variances. The Sheriff's Office is currently looking into additional options so as to automate Commissary and ensure inventory controls as recommended by the State Auditor.