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Director



BRAD HENRY
Governor

STATE OF OKLAHOMA
DEPARTMENT OF CENTRAL SERVICES

August 17, 2006

TO JEFF CHACE, CHAIRMAN OF THE BOARD OF LICENSED SOCIAL WORKERS

With this letter, we transmit the report of the Board of Licensed Social Workers procurement audit for state fiscal year 2005.

We performed our review in accordance with professional auditing standards to ensure that the State's resources, procurement processes, and procedures are used in an ethical, effective, and efficient manner.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of the engagement.

Sincerely,



John S. Richard, Director
Department of Central Services

"Committed to Quality"

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OKLAHOMA

Department of Central Services Auditing Unit



BOARD OF LICENSED SOCIAL WORKERS

Procurement Audit

For the period July 1, 2004 thru June 30, 2005

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PURPOSE, OBJECTIVE AND SCOPE

The Department of Central Services, Auditing Unit has completed an audit of the Board of Licensed Social Workers, hereinafter referred to as the "Agency", procurement program for the period July 1, 2004 through June 30, 2005. The purpose of this report is to communicate the results of the audit.

The objective of this audit was to:

- determine if the agency is in compliance with provisions of the Oklahoma Central Purchasing Act;
- determine if the agency is in compliance with rules promulgated by the Department of Central Services pursuant to the Oklahoma Central Purchasing Act;
- determine if the agency is in compliance with provisions of Section 3001 et seq. of Title 74 pertaining to the State Use Committee;
- determine if the agency is in compliance with approved internal purchasing procedures;
- make recommendations for improvements.

This audit was performed pursuant to 74 O.S. § 85.5.E. in accordance with generally accepted *Government Auditing Standards*.

METHODOLOGY

- Interviews were conducted with the Agency's staff members.
- Internal controls over the procurement program were documented and evaluated.
- Procurement transactions were examined.
- Overall program compliance with the rules related to the audit objectives was evaluated.

EXECUTIVE SUMMARY

Organization

The Board of Licensed Social Workers is made of up seven members, each appointed by the Governor. Three of the members of the Board must be licensed social workers or licensed clinical social workers. Two other members must be licensed social work associates and/or licensed master social workers. One member must be the president of the Oklahoma Chapter of the National Association of Social Workers. The remaining Board member must be selected from and represent the general public.

The Board's authority includes:

- Licensing of qualified social work applicants
- The renewing of licenses
- The establishment and enforcement of compliance with professional standards of practice in social work.
- The determination and issuance of standards for recognition and approval of degree programs of schools of social work.
- The investigation of activities related to the practice of unauthorized social work.
- The collection of professional demographic data.

Agency

The Agency has no full time employees. Rather, the agency contracts with the Oklahoma Medical Licensures and Supervision Board for administrative services to be provided by two staff of the Oklahoma Medical Licensures and Supervision Board.

Key Staff:

Lyle Kelsey, Executive Director
Reji Varghese, Certified Procurement Officer
Dela Kwetey, Certified Procurement Officer

AUDIT RESULTS

Finding No: 05-622-01

Criteria: Oklahoma Administrative Code 580 § 15-6-3, **State purchasing procedures**, states in part:

- (a) **Development.** State agencies shall develop internal purchasing procedures for acquisitions by the state agency.
- (b) **Submission to State Purchasing Director.** The state agency shall submit a copy of the procedures to the State Purchasing Director.
- (e) **State agency resubmission following disapproval.** The state agency shall resubmit procedures until the Director notifies the state agency the procedures comply.

Condition: The Agency submitted a copy of their internal purchasing procedures to the State Purchasing Director on 5/20/04. After reviewing the procedures, the State Purchasing Director sent them back to the agency on 6/22/04 with instructions to revise portions of the procedures in order to bring the procedures into compliance.

Cause: The agency utilized the procedures of another agency, the Board of Medical Licensure and Supervision. The agency did not make it a priority to complete the revisions in a timely manner for resubmission.

Effect: Without approved procedures agency staff may not be fully informed of the process by which the agency makes purchases.

Recommendation: We recommend the Agency to revise the internal purchasing procedures and submit them to the State Purchasing Director in a timely manner.

Management's Response:

Date: 8/03/06

Respondent: Reji Varghese, Certified Procurement Officer

Response: Partially Concur - Clarification and correction of dates mentioned in the "Condition" section above:

- Original submission date of the procedures = 5/7/2004
- First response from CP (after numerous phone calls) = 17 months later on 10/5/2005.
- Revision instruction from CP = 11/17/2005.

Corrective Action Plan:

Contact Person: Reji T. Varghese, Certified Procurement Officer

Anticipated Completion Date: September 29, 2006

Corrective Action Planned: We already started revising the original draft. The final draft will be presented for Board approval during the next Board meeting on September 15th 2006. The approved copy will be returned for CP approval soon thereafter.

OVERALL CONCLUSION

In our opinion, the Board of Licensed Social Workers has materially complied with the objectives reviewed. However, one exception was noted. The Board of Licensed Social Workers has implemented a corrective action, which we believe will ensure the Agency will comply, in all material respects, with the aforementioned requirements.