



OKLAHOMA

State Auditor & Inspector

**State Auditor and Inspector
Cindy Byrd, CPA**

**Deputy State Auditor and Inspector
Lisa Hodges, CFE, CGFM**





**FORENSIC
DIVISION**

Brenda Holt, CPA

**PERFORMANCE
DIVISION**



Melissa Capps, CFE

FY2025: 353 Audits

**STATE
DIVISION**



Billy Swindell

98 Auditors

**SPECIALIZED
DIVISION**



**Mark Hudson,
CPA, CGMA**



**Cheryl
Wilson, CFS**

**COUNTY
DIVISION**



SAI CREDENTIALS



#	CREDENTIAL
10	CPA
11	CFE Certified Fraud Examiners
8	Master Of Business Administration
2	CIA Certified Internal Auditors
2	Master Of Science In Accounting
2	Certified Government Auditing Professional
2	Certified Government Financial Manager
1	CISA Certified Information Systems Auditor
2	JD Attorney



National State Auditors Association
An Affiliate of NASACT

Headquarters Office
449 Lewis Hargett Circle, Suite 290
Lexington, KY 40503-3590
P (859) 276-1147, F (859) 278-0507
www.nasact.org

Washington Office
The Hall of the States
444 N. Capitol Street, NW, Suite 422
Washington, DC 20001
P (202) 624-5451, F (202) 624-5473

PEER REVIEW REPORT
July 21, 2023

The Honorable Cindy Byrd, CPA
State of Oklahoma Office of the State Auditor & Inspector
2300 N. Lincoln Blvd, Room 123
Oklahoma City, OK 73105

We have reviewed the system of quality control of Oklahoma Office of the State Auditor & Inspector (the office) in effect for the period July 1, 2022 through June 30, 2023 and for the 2021 State of Oklahoma ACFR audit released on January 26, 2022. A system of quality control encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The design of the system and compliance with it are the responsibility of the office. Our responsibility is to express an opinion on the design of the system and the office's compliance with the system based on our review.

We conducted our review in accordance with the policies and procedures for external peer reviews established by the National State Auditors Association (NSAA). In performing our review, we obtained an understanding of the office's system of quality control for engagements conducted in accordance with professional standards. In addition, we tested compliance with the office's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the office's policies and procedures on selected engagements. The engagements selected represented a reasonable cross-section of the office's engagements conducted in accordance with professional standards. We believe that the procedures we performed provide a reasonable basis for our opinion.

Our review was based on selective tests; therefore it would not necessarily disclose all design matters in the system of quality control or all compliance matters with the system. Also, there are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control of the Office of the State Auditor & Inspector in effect for the period July 1, 2022 through June 30, 2023 and for the 2021 State of Oklahoma ACFR has been suitably designed and was complied with during the period to provide the audit organization with reasonable assurance of performing and reporting in conformity with *Government Auditing Standards* in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. The Oklahoma Office of the State Auditor & Inspector has received a peer review rating of *pass*.

L. Scott Owens, CIA, CGAP, MPA
Concurring Reviewer
External Peer Review Team
National State Auditors Association

Thomas Troutman, CPA, CIA, CGFM
Team Leader
External Peer Review Team
National State Auditors Association

PEER REVIEW

July 2023



CINDY WHEELER, CPA



PASSED WITH HIGHEST RATING



7 County Managers

COUNTY DIVISION 52

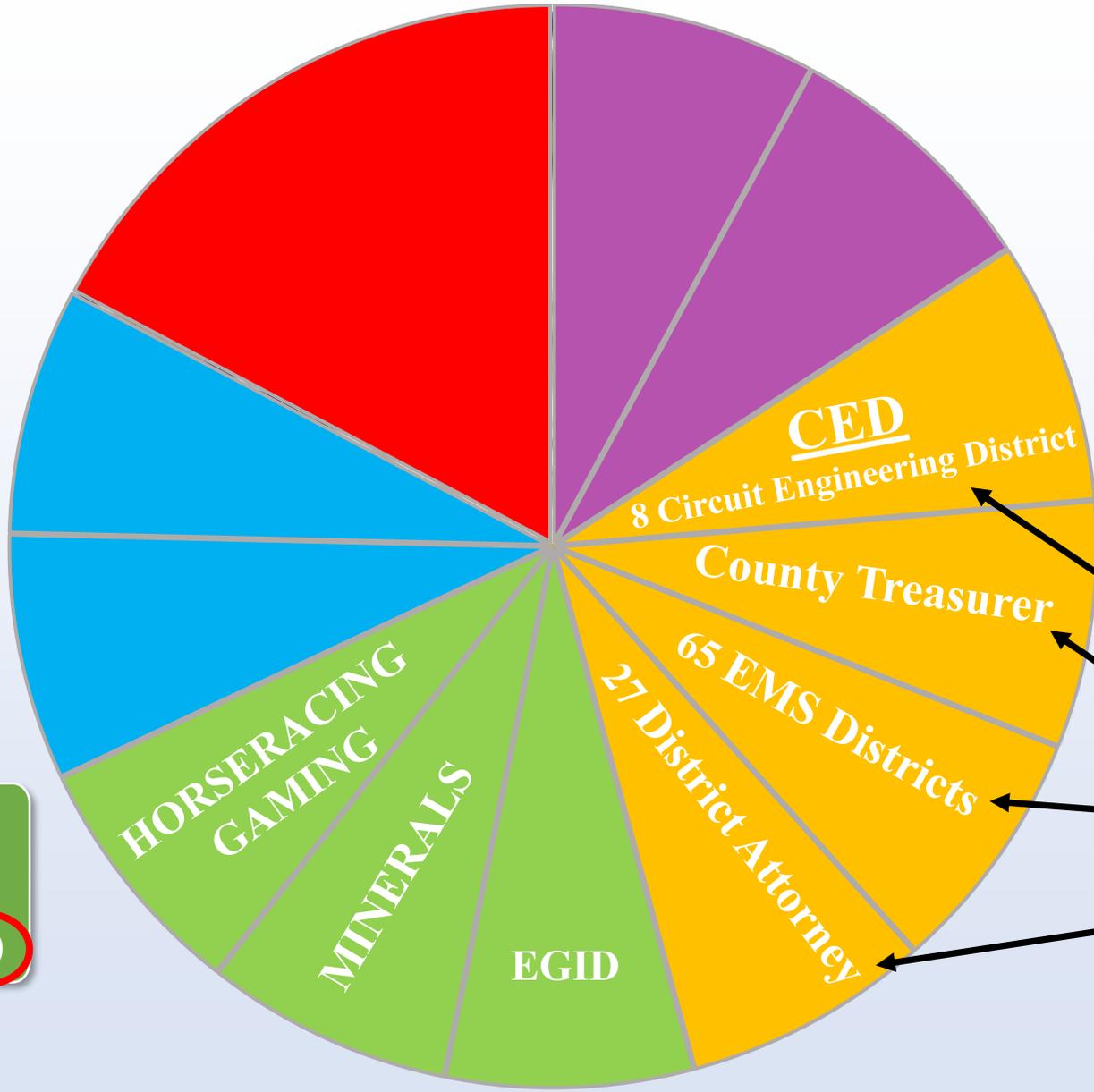
19 O.S. §§ 177.1-177.7

69 O.S. § 687.1(D)

Article VI § 19

Article X § 9C

74 O.S. § 212(E)



SPECIALIZED DIVISION 10

3A O.S. §§ 261 & 263

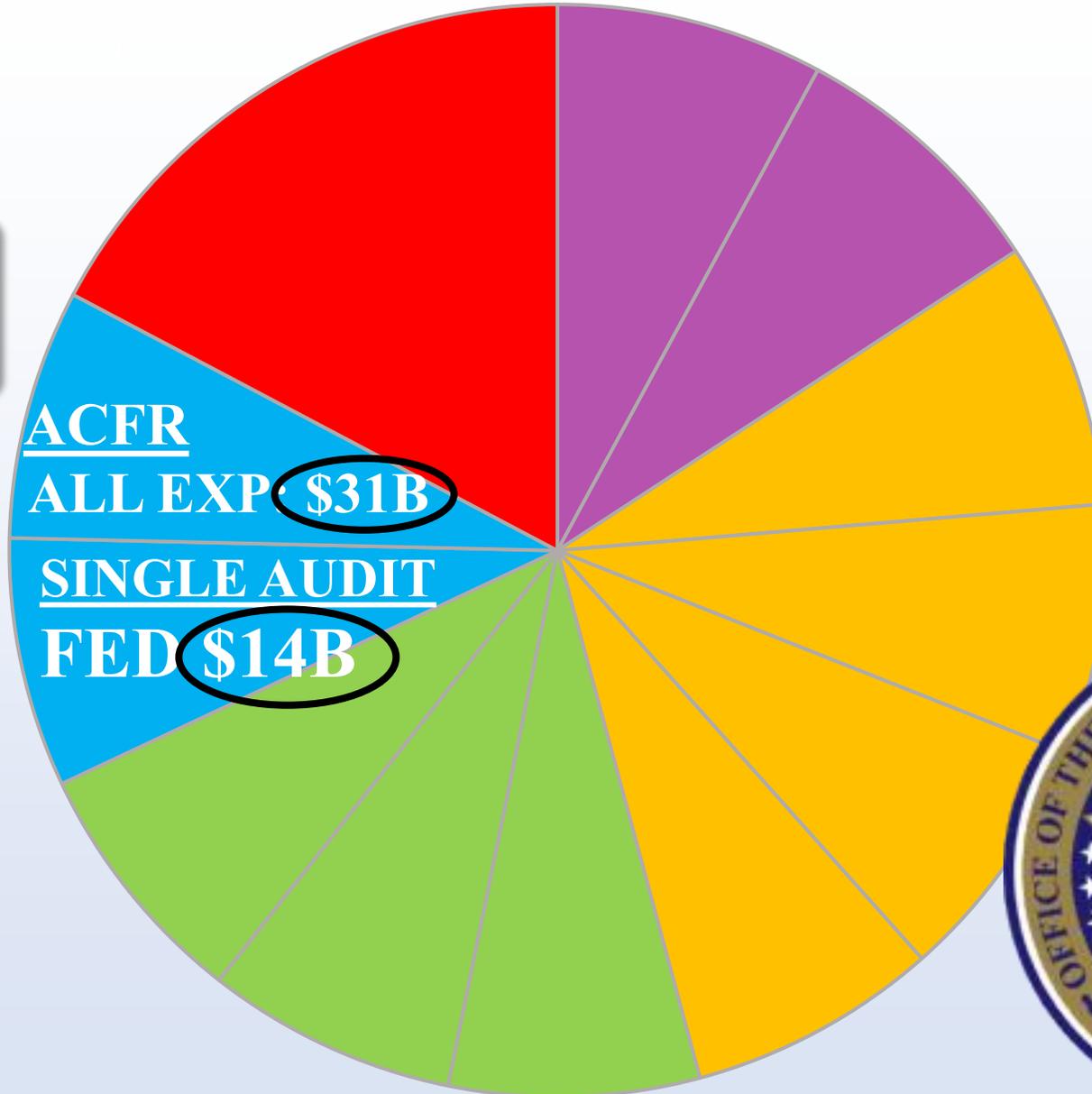
STATE DIVISION **20**

74 O.S. § 212(B)(1)
74 O.S. § 212(B)(3)

ACFR:
ANNUAL
COMPREHENSIVE
FINANCIAL REPORT

December 29, 2025

Bond Rating





FEDERAL DOLLARS in OKLAHOMA

Pre-Covid

Post-Covid

\$7 Billion

\$14 Billion



FEDERAL DOLLARS in OKLAHOMA

Questioned Costs:

Any dollars spent that...

1. Do not comply with federal **terms and conditions**
2. Lack required **documentation**

FEDERAL DOLLARS in OKLAHOMA

**The U.S. Government can
require states to reimburse any
Questioned Costs.**

1789

FEDERAL DOLLARS in OKLAHOMA

Questioned Costs

for the Fiscal Year 2023:

\$93.4 Million

FEDERAL DOLLARS in OKLAHOMA

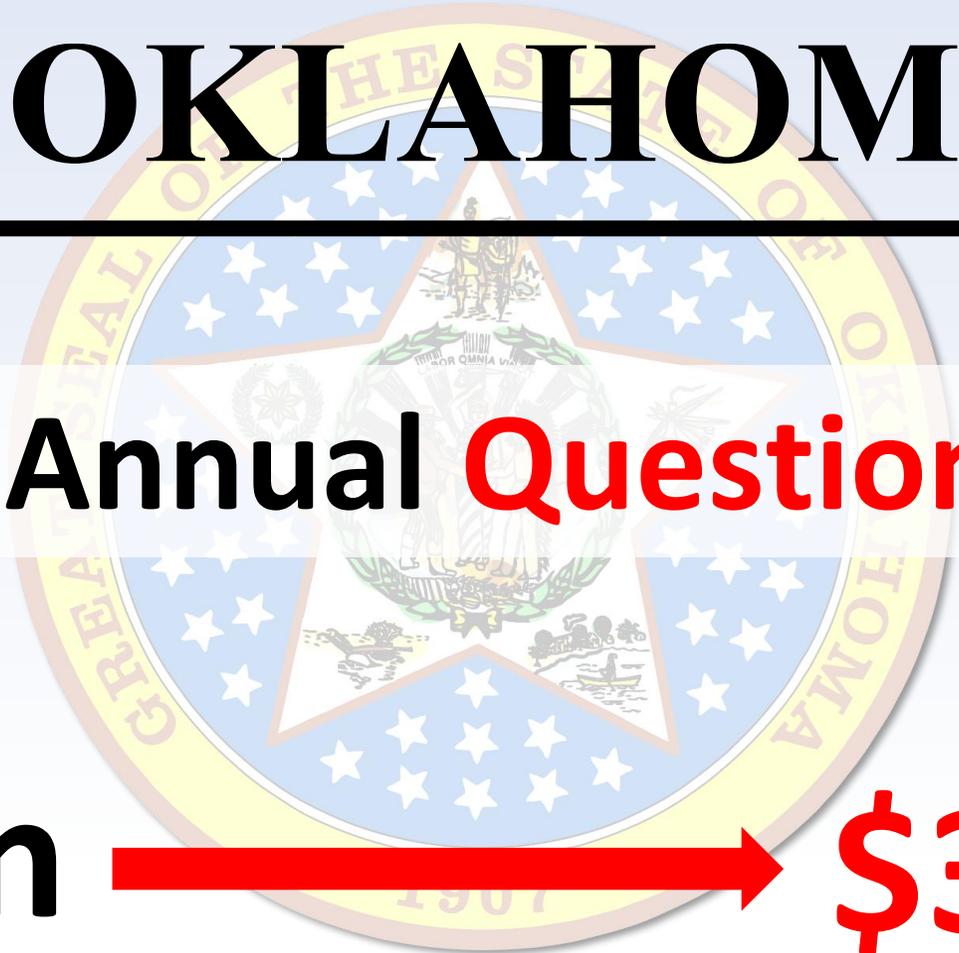
Average Annual Questioned Costs

Pre-Covid

\$5 Million

Post-Covid

\$30 Million



FY2023: \$93.4 Million

FY2022: \$29 Million

FY2021: \$30 Million

FY2020: \$34 Million

Oklahoma Department of Human Services
(OKDHS)

\$63.6 Million

Oklahoma Office of Management &
Enterprise Services (OMES)

\$21.8 Million

Other

\$8 Million

Total: \$93.4 Million



FY2023 Questioned Costs





DEPARTMENT OF THE TREASURY

April 18, 2025

State of Oklahoma
[Redacted]
2401 N. Lincoln Blvd, Suite 212
Oklahoma City, OK 73105
Attention [Redacted]

Subject: U.S. Department of the Treasury's Management Decision Letter (MDL) for Single Audit Report for period ending June 30, 2021

In accordance with 2 C.F.R. § 200.521(b), the U.S. Department of the Treasury (Treasury) is required to issue a management decision for single audit findings pertaining to awards under Treasury's programs. Treasury's review as part of its responsibilities under 2 C.F.R. § 200.513(c) includes an assessment of Treasury's award recipients' single audit findings, corrective action plans (CAPs), and questioned costs, if any.

Treasury has reviewed the single audit report for the **State of Oklahoma** prepared by the Oklahoma Office of the State Auditor and Inspector for the fiscal year ending on **June 30, 2021**. Treasury has made the following determinations regarding the audit findings, CAPs, and questioned costs listed below:

Assistance Listing No./Program Name:
21.023/ Emergency Rental Assistance Fund (ERA1)

Audit Finding #	Compliance Type - Audit Finding Summary	Audit Finding Determination	Questioned Cost Determination	CAP Determination
2021-080	Activities Allowed or Unallowed / Allowable Costs/Cost Principles / Eligibility / Period of Performance / Subrecipient Monitoring - Unallowable ERA1 expenditures	Partially Sustained	Questioned Cost: \$1,637,765 Disallowed Cost: \$1,637,765	Accepted



\$1.6 MILLION

DEPARTMENT OF THE TREASURY

April 18, 2025



State of Oklahoma
2401 N. Lincoln Blvd, Suite 212
Oklahoma City, OK 73105
Attention [Redacted]

Questioned Costs
\$1,637,765
Disallowed Cost:
\$1,637,765

Recipient	Partially Sustained	Questioned Cost: \$0
Subrecipient		Disallowed Cost: \$0
Recipient	Sustained	Questioned Cost: \$0
Subrecipient		Disallowed Cost: \$0

The auditor questioned \$1,563,028 of management fees paid to a subrecipient. [Redacted] management fee attributable to providing stability services under the ERA1 program.

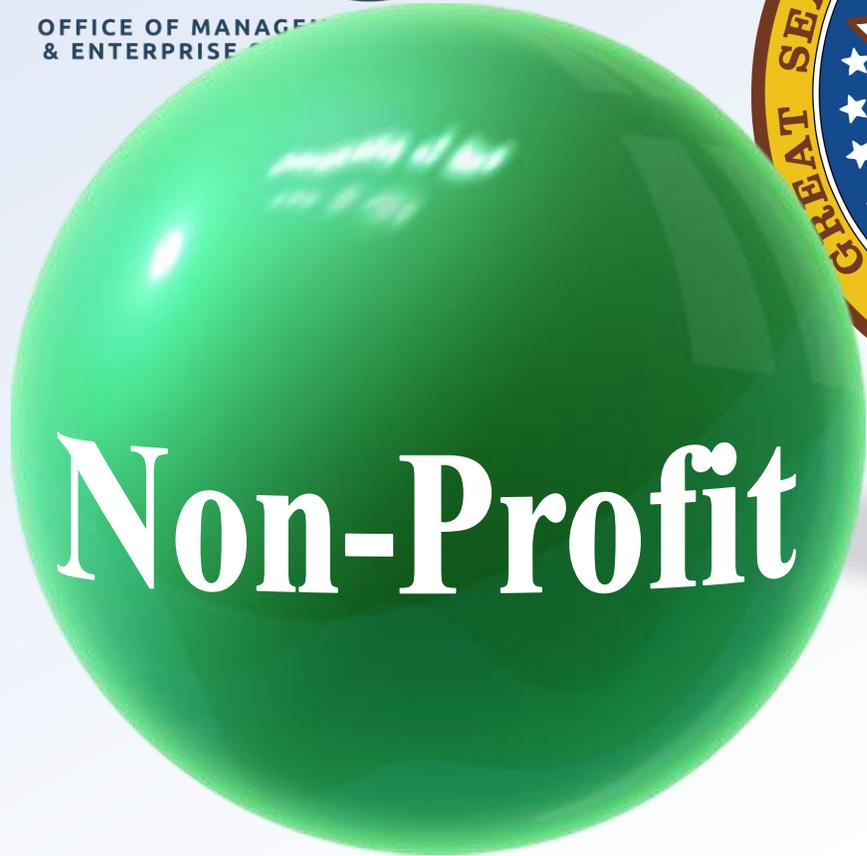
Use an equivalent amount of its own non-ERA/non-federal funds to return the total amount of improper payments it made with its ERA1 award to Treasury, if the options provided above are not feasible.



Non-Profit

1789

FY23 Single Audit Finding



FY2021

Management Fee

\$1,563,027.62

FY2022

Management Fee

\$8,625,873.61

FY2023

Management Fee

\$5,585,127

Total: \$15,774,028

**Oklahoma Department of Human Services
(OKDHS)**

\$63.6 Million

**Oklahoma Office of Management &
Enterprise Services (OMES)**

\$21.8 Million

Other

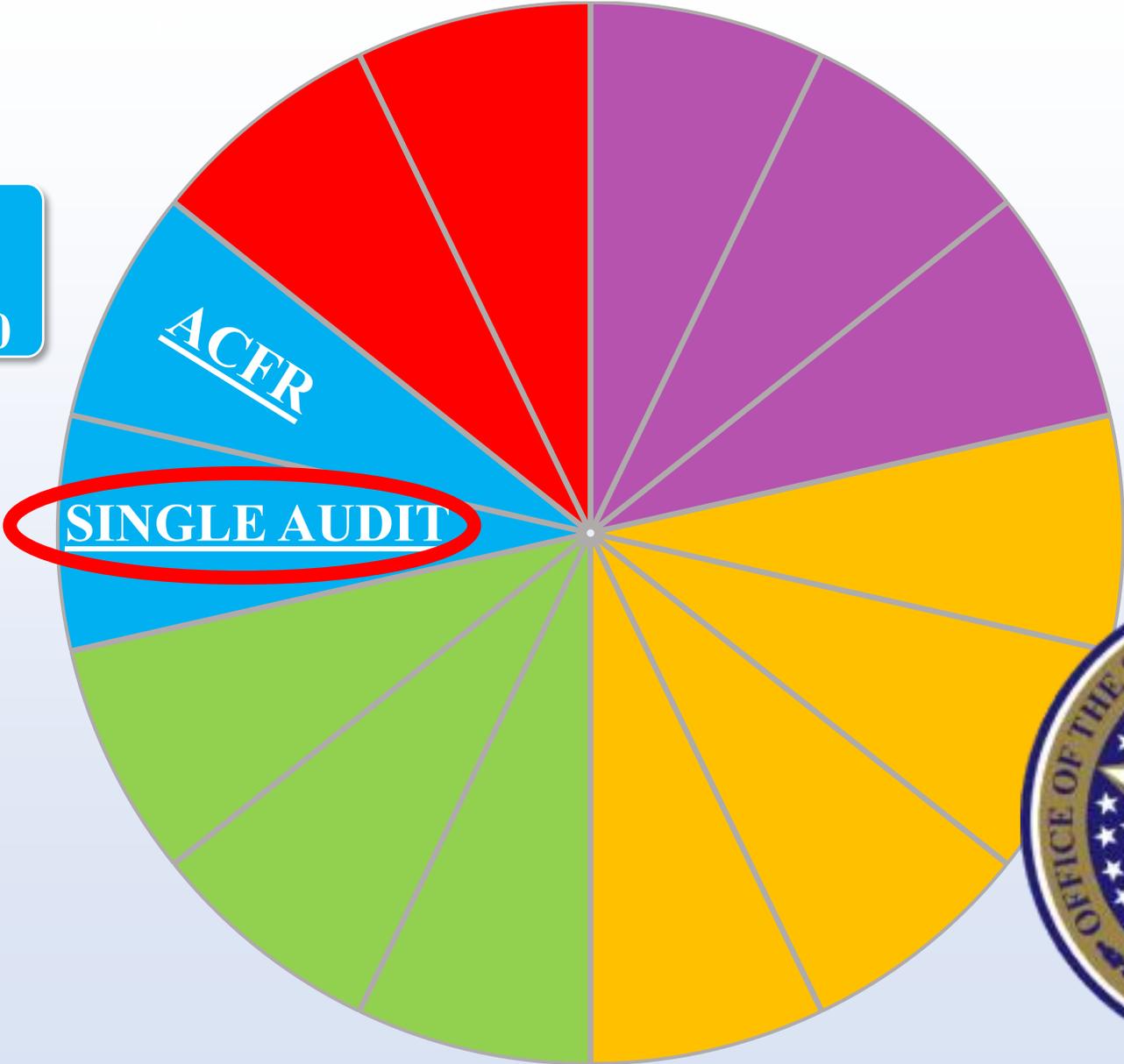
\$8 Million

Total: \$93.4 Million



**STATE
DIVISION 20**

74 O.S. § 212(B)(1)
74 O.S. § 212(B)(3)



FORENSIC DIVISION

4

74 O.S. § 212
74 O.S. § 18(f)

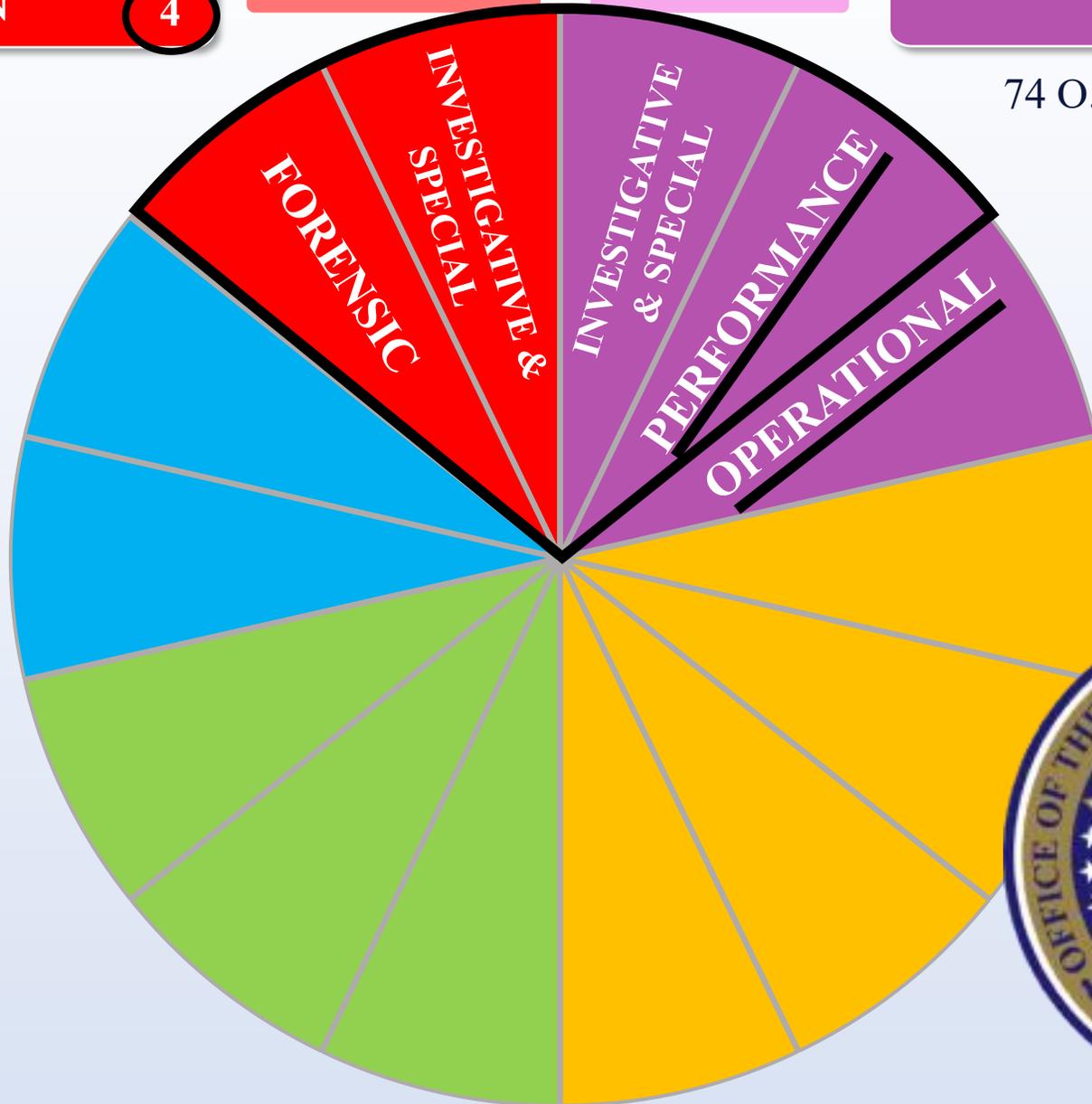
By Request

By Request

PERFORMANCE DIVISION

7

74 O.S. § § 212(B)(1)-212(B)(2)
74 O.S. § 213.2





TULSA PUBLIC SCHOOLS



TULSA PUBLIC SCHOOLS

Special Audit Report

February 26, 2025

Cindy Byrd, CPA
State Auditor & Inspector

Findings Include:

- ✓ **\$824K misappropriated**
- ✓ **\$25 Million spent in violation of Competitive Bidding**
- ✓ **1400+ Financial Discrepancies**
- ✓ **\$35 Million on DEI-related**
- ✓ **Bond Dept. Conflict of Interest**



TULSA PUBLIC SCHOOLS

Special Audit Report

February 26, 2025

Cindy Byrd, CPA
State Auditor & Inspector



OKLAHOMA DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

Special Investigative Audit Report Part 1

May 20, 2025

Cindy Byrd, CPA
State Auditor & Inspector



OKLAHOMA
**Mental Health &
Substance Abuse**



OKLAHOMA DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

Special Investigative Audit Report Part 1

May 20, 2025

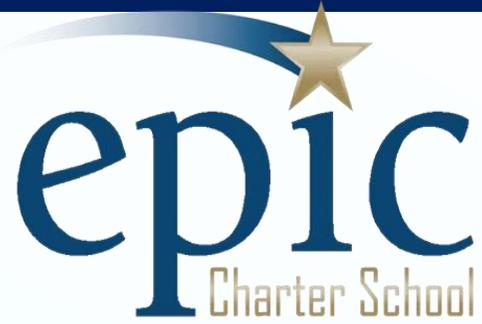
Cindy Byrd, CPA
State Auditor & Inspector



OKLAHOMA
Mental Health &
Substance Abuse

- ✓ **\$28.7M shortfall for FY2025**
- ✓ **\$9.4M deficit from FY24**
- ✓ **Structural Issues**
- ✓ **Concrete Recommendations**

Special Investigative Audits

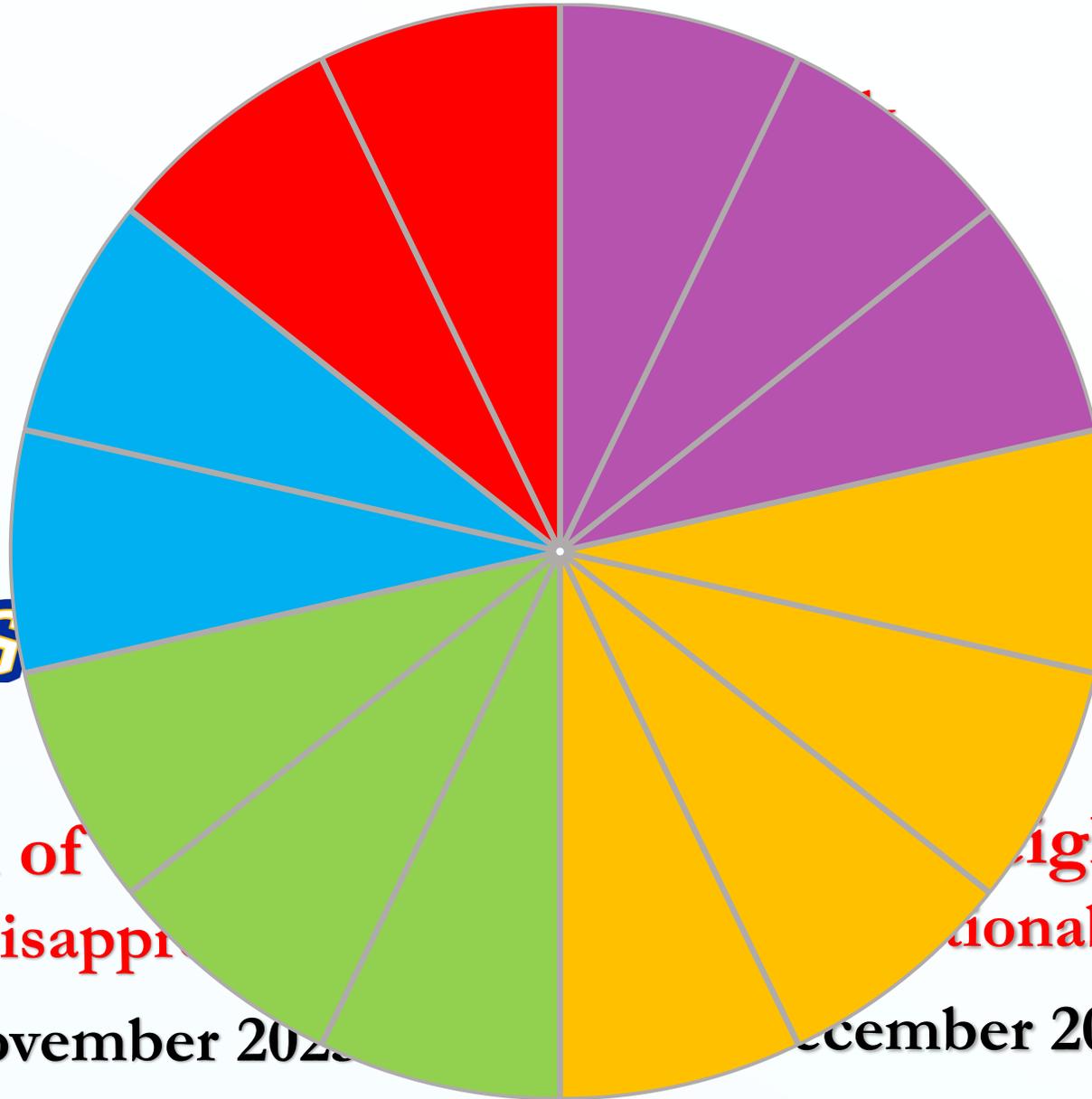


✓ October 2020



Town of
\$53K Misapp

✓ November 2020



✓ February 2025

OKLAHOMA
Mental Health &
Substance Abuse

May 2025

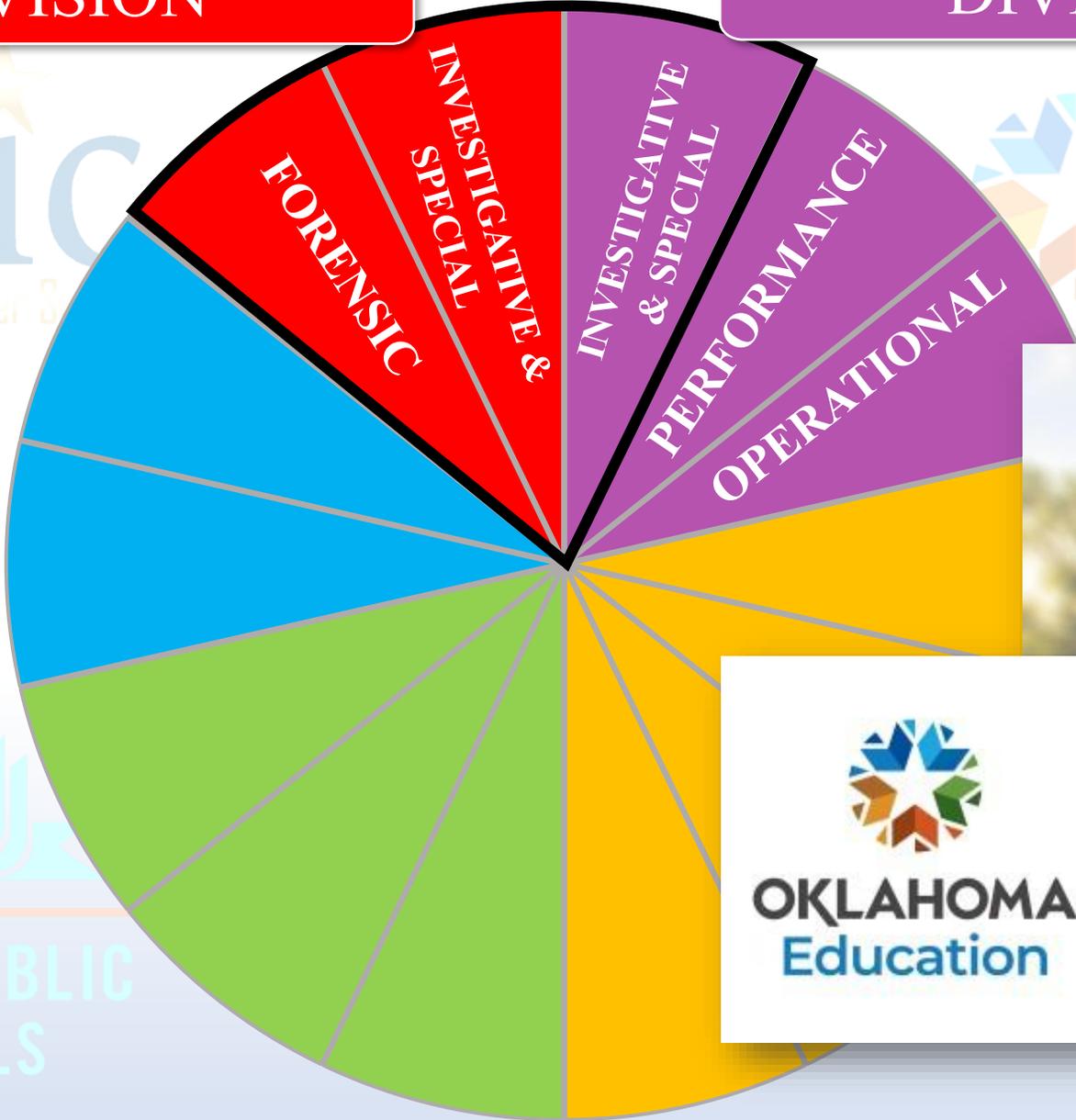
ights
ionable

December 2025



**FORENSIC
DIVISION**

**PERFORMANCE
DIVISION**



epic
Charter School

JETS

PIONEERS

TULSA PUBLIC
SCHOOLS



OKLAHOMA
Mental Health &
Substance Abuse



Travel
OKLAHOMA



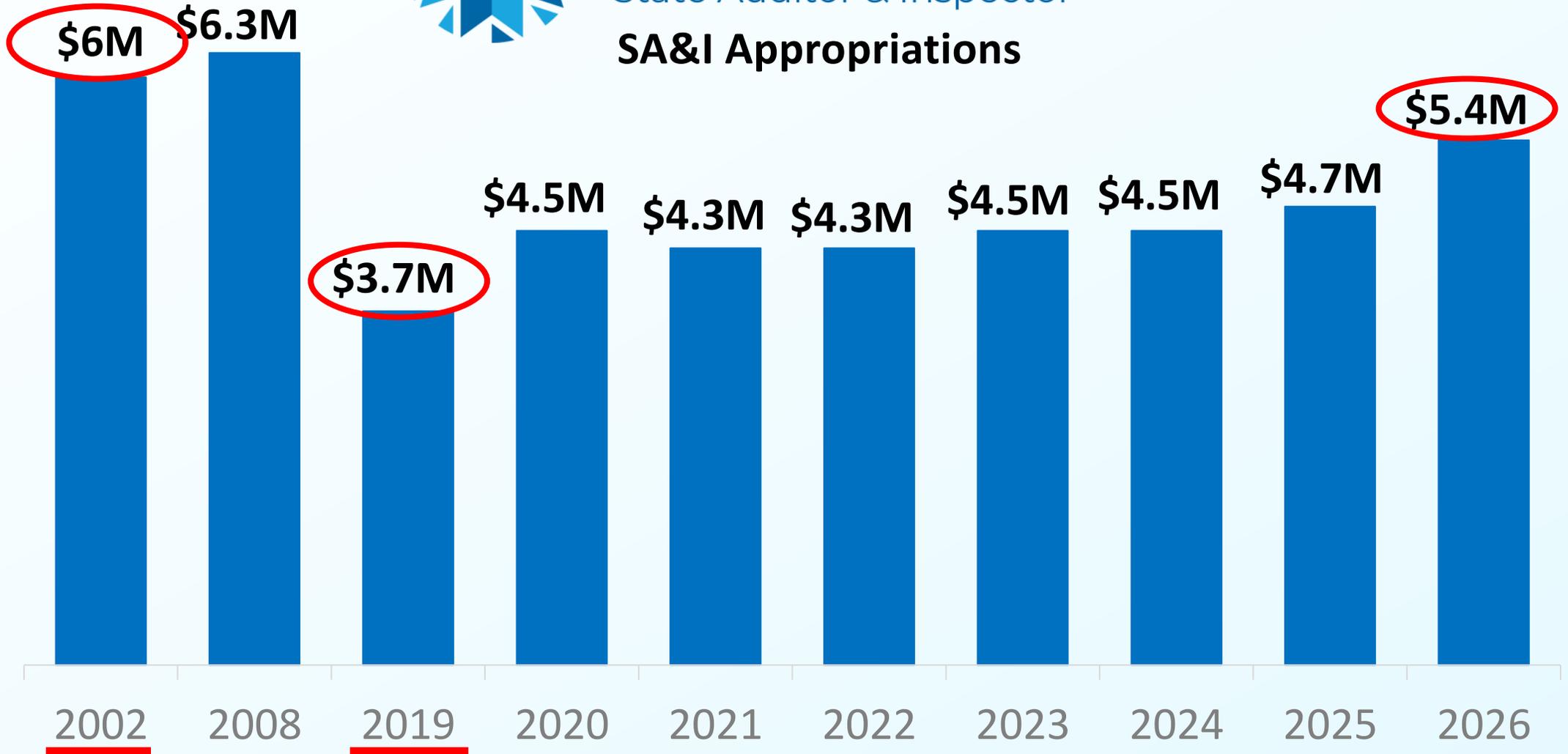
OKLAHOMA
TURNPIKE
AUTHORITY



OKLAHOMA

State Auditor & Inspector

SA&I Appropriations

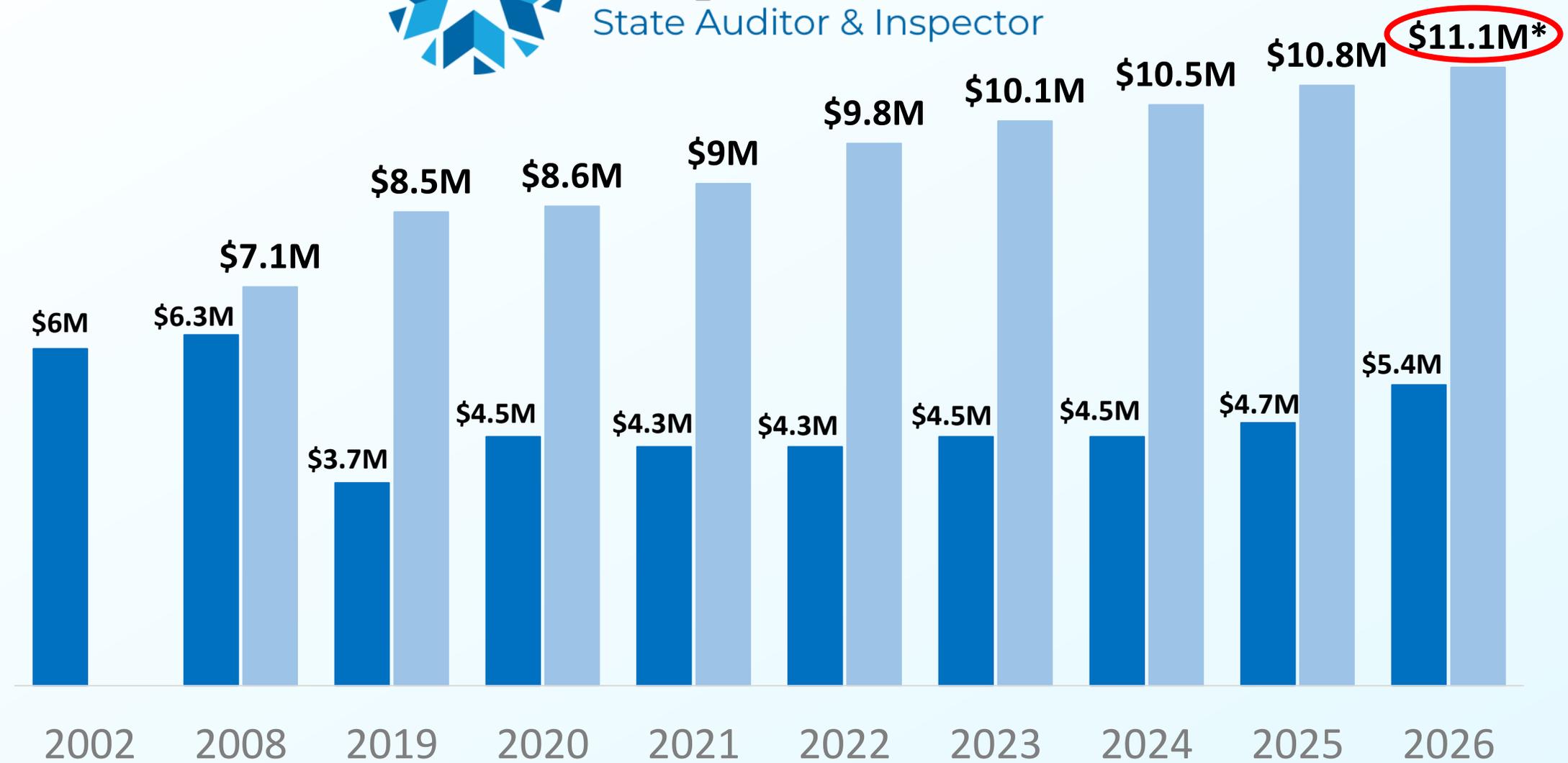


*projected at 3%



OKLAHOMA

State Auditor & Inspector



■ Appropriations ■ 2002 Appropriations Adjusted for Inflation

*projected at 3%



OKLAHOMA
State Auditor & Inspector

- ✓ **Staff cut by 25% since 2002**
- ✓ **Demand for audits has doubled since 2002**
- ✓ **Appropriations cover 30% of need**

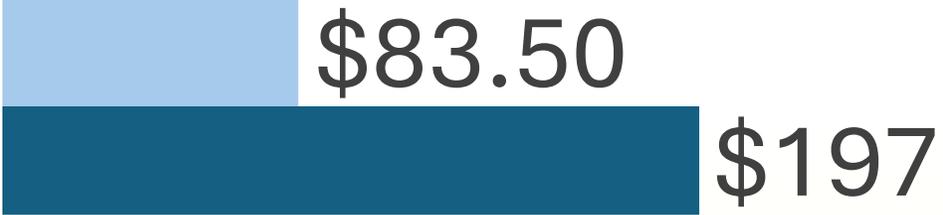
FY25 Hourly Billing Rates

Associate



SA&I External Firm

Senior



Manager

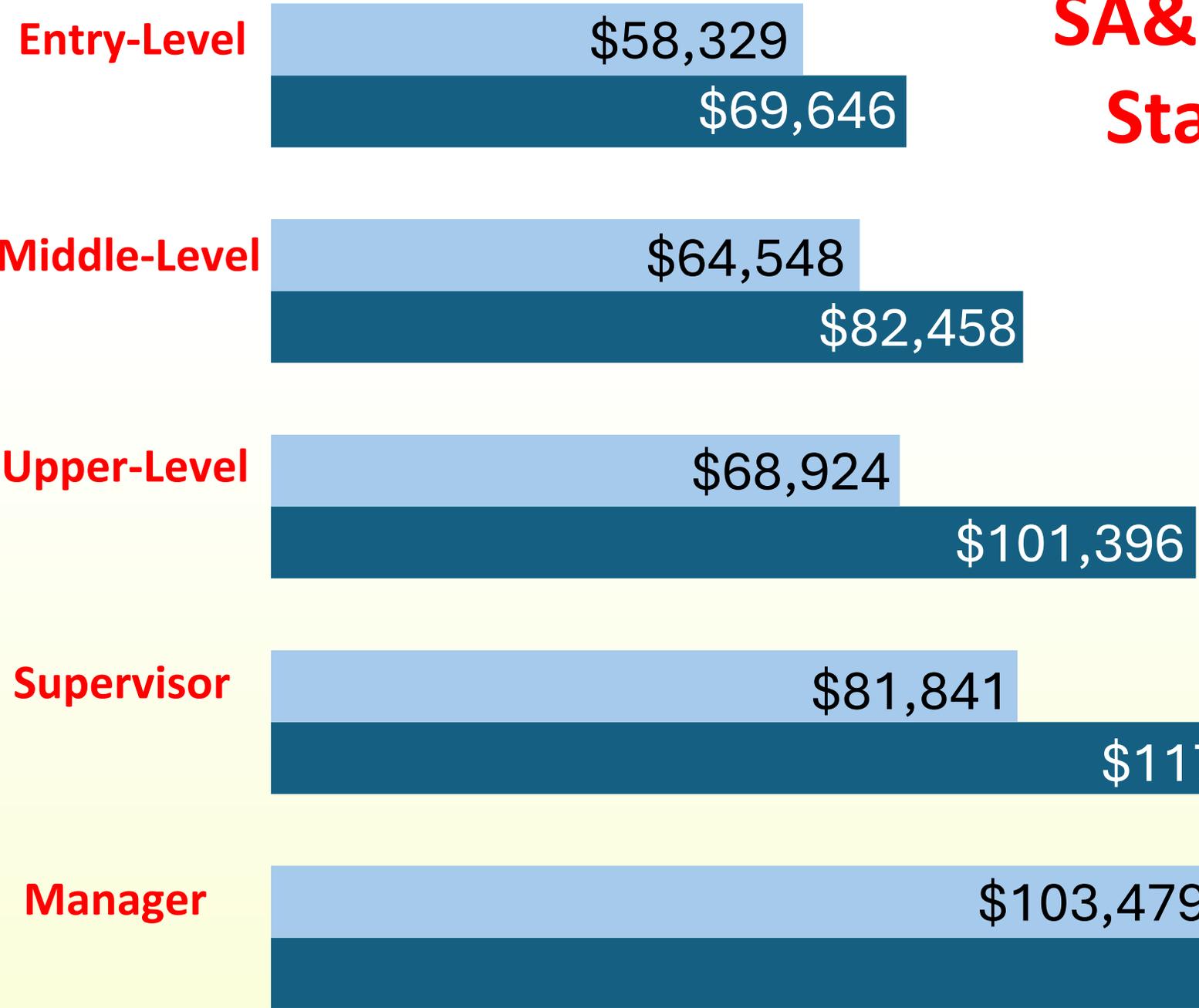


SA&I bills at **31%** of external firms

Partner



SA&I Salaries v. Regional State Auditor Salaries



■ SA&I ■ Regional States
✓ Adjusted for COLA



SA&I Salaries are **73%** of other State Auditor Offices

FORENSIC DIVISION



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PERFORMANCE DIVISION



Melissa Capps, CFE

STATE DIVISION



Billy Swindell

SPECIALIZED DIVISION

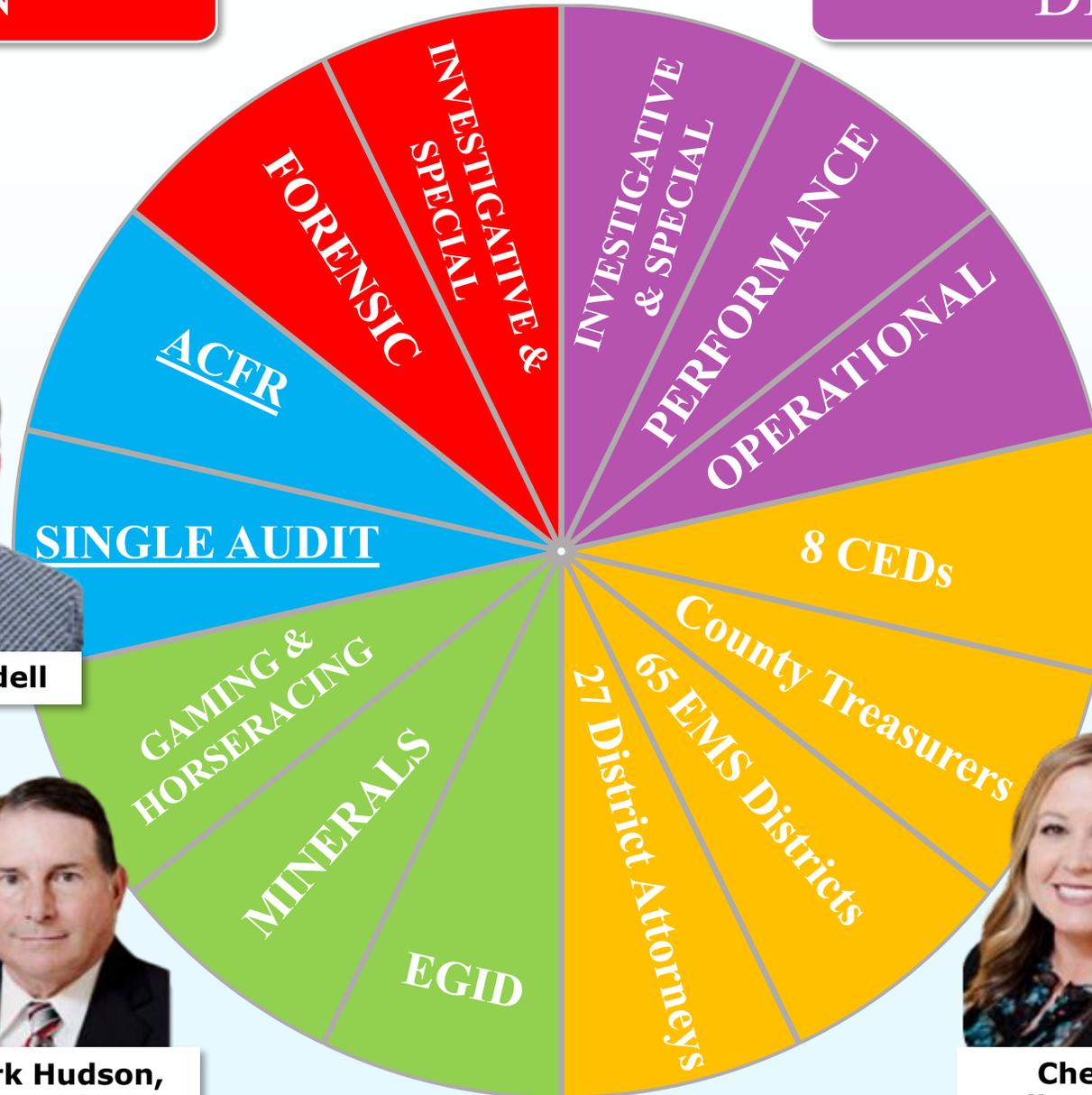


Mark Hudson, CPA, CGMA

COUNTY DIVISION



Cheryl Wilson, CFS





LEGISLATIVE REQUEST:

- ✓ **FY26: \$5,413,315**
- ✓ **FY27: \$250K for salaries**
- ✓ **FY27: \$250K for software**
- ✓ **FY27: \$5.9M total appropriations**



LEGISLATIVE REQUEST:

✓ Title 74: 227.9:

“...the **State Auditor and Inspector** shall at the close of each fiscal year pay into the General Revenue Fund of the state any unencumbered balance remaining in said revolving fund in excess of Eight Hundred Fifty Thousand Dollars **(\$850,000).**”

✓ **Remove cap on revolving funds or raise to \$2M**



LEGISLATIVE REQUEST:

- ✓ **FY27: Increase appropriations by \$500K for a total of \$5.9M**
- ✓ **Remove cap on revolving funds or raise to \$2M**



OKLAHOMA

State Auditor & Inspector