



Cindy Byrd, CPA



**OKLAHOMA**  
Office of the State Auditor & Inspector



Lisa Hodges, CFE,  
CGFM

# State Auditor & Inspector

## FY 2026 Budget Hearing Presentation



**OKLAHOMA**  
Office of the State Auditor & Inspector



# FORENSIC DIVISION 4



74 O.S. § 212  
74 O.S. § 18(f)

**BRENDA HOLT, CPA**

# PERFORMANCE DIVISION 7



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

**MELISSA CAPPS**

## INVESTIGATIVE Citizen Petition

# STATE DIVISION 22

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



**BILLY SWINDELL**

# SPECIALIZED DIVISION 10

3A O.S. § § 261 & 263



**MARK HUDSON  
CPA, CGMA**

# COUNTY DIVISION 58

19 O.S. § § 177.1-177.7  
69 O.S. § 687.1(D)

Article VI § 19  
Article X § 9C

74 O.S. § 212(E)



**CHERYL WILSON,  
CFS**

PERFORMANCE  
OPERATIONAL

CED  
8 Circuit Engineering District

County Treasurer

65 EMS District  
27 District Attorney

EGID

MINERALS  
RACING  
ING

TRACING  
ING

AUDIT  
GENERAL

RE

# SAI CREDENTIALS



#	CREDENTIAL
10	CPA
6	CFE Certified Fraud Examiners
8	Master Of Business Administration
2	CIA Certified Internal Auditors
3	Master Of Science In Accounting
2	Certified Government Auditing Professional
2	Certified Government Financial Manager
1	CISA Certified Information Systems Auditor
1	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](http://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

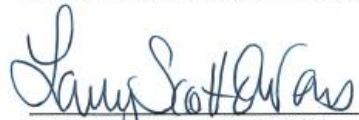
The Honorable Cindy Byrd, CPA  
State of Oklahoma Office of the State Auditor & Inspector  
2300 N. Lincoln Blvd, Room 123  
Oklahoma City, OK 73105


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.

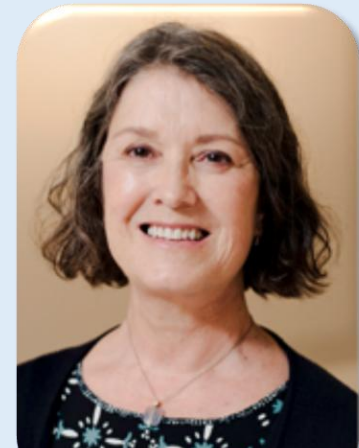
In our opinion, the system of quality control of the Office of the State Auditor & Inspector in effect for the period July 1, 2022 through June 30, 2023 and for the 2021 State of Oklahoma ACFR has been suitably designed and was complied with during the period to provide the audit organization with reasonable 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**

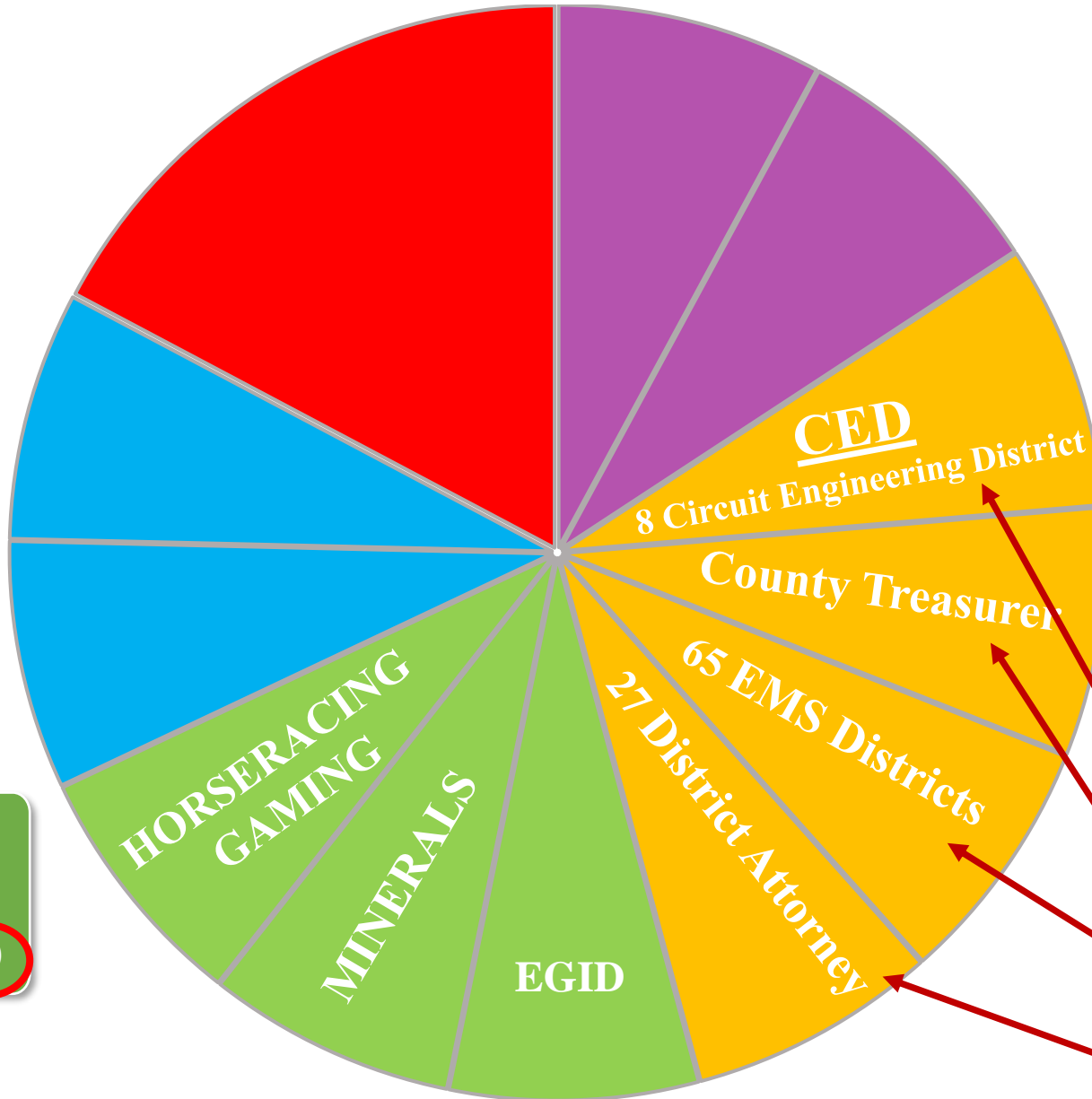
**PASSED WITH HIGHEST RATING**





**SPECIALIZED  
DIVISION** **10**

3A O.S. §§ 261 & 263



- COVID funding
- Opioid and Vaping Settlements
- The County Community Safety Investment Fund and
- The Sheriff's Office Operations Grant

**7 County Managers**

**COUNTY  
DIVISION** **58**

19 O.S. §§ 177.1-177.7

69 O.S. § 687.1(D)  
Article VI § 19  
Article X § 9C

74 O.S. § 212(E)

# FORENSIC DIVISION

4

74 O.S. § 212  
74 O.S. § 18(f)



**BRENDA HOLT, CPA**

By Request

By Request

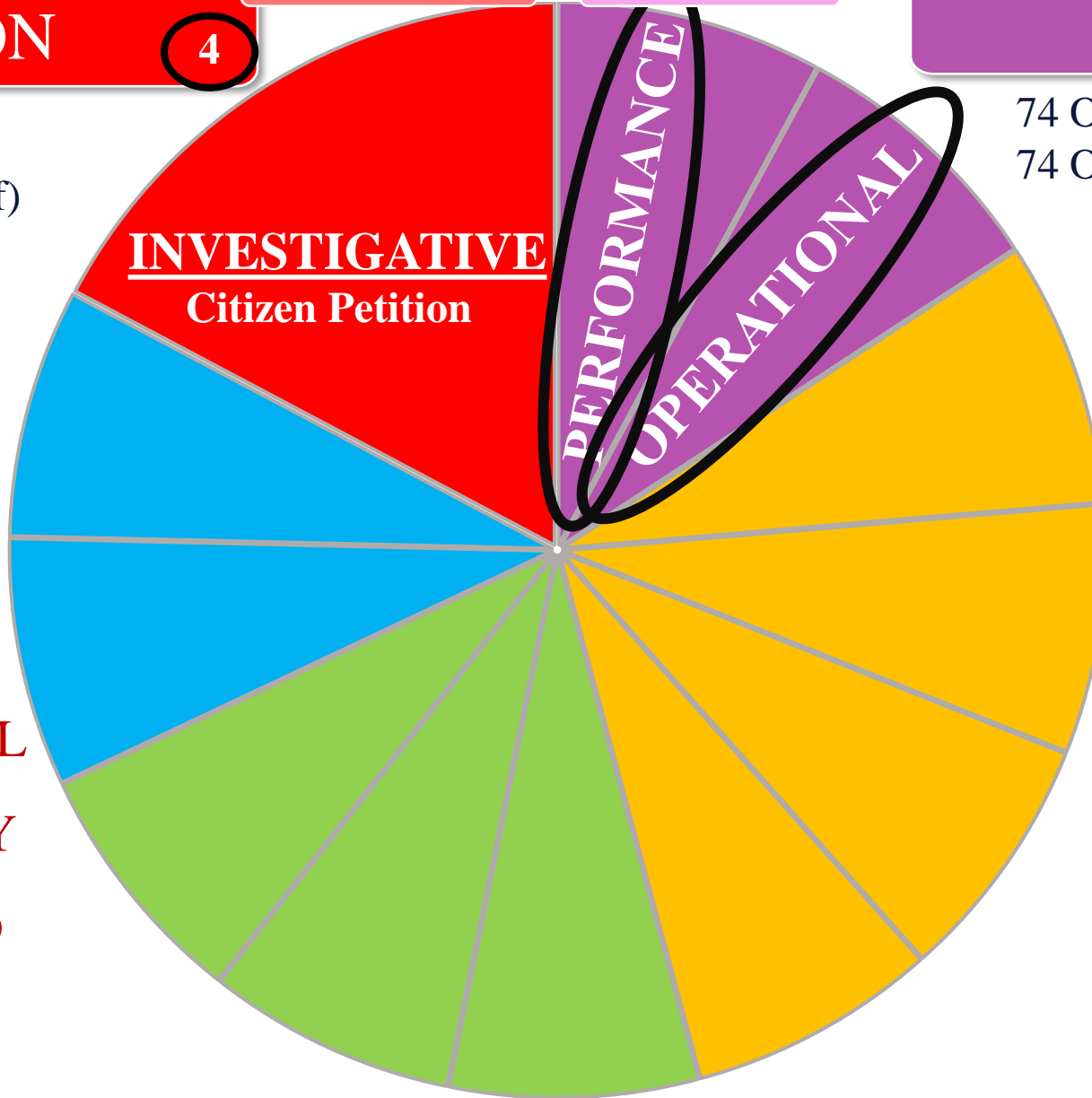
# PERFORMANCE DIVISION

7

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



**MELISSA CAPPS**



**INVESTIGATIVE**  
Citizen Petition

**PERFORMANCE**  
**OPERATIONAL**

- GOVERNOR
- GOVERNING BOARD
- AGENCY HEAD
- LEGISLATURE

- GOVERNOR
- ATTORNEY GENERAL
- DISTRICT ATTORNEY
- GOVERNING BOARD
- CITIZEN PETITION

# SPECIAL AUDITS





**PERFORMANCE  
DIVISION**

**FORENSIC  
DIVISION**

**Assist the  
Prosecution**

**UNBILLABLE  
HOURS**



<b>ENTITY</b>	<b>Request Type</b>
<b>Tulsa Public Schools</b>	Governor
<b>City of McAlester</b>	Petition
<b>OMES</b>	AG
<b>Payne County Environmental</b>	County Commisioner
<b>Western Heights Citizen Petition &amp; SDE Request</b>	Petition Board
<b>Town of Marshall Fire Department</b>	Petition
<b>City of Cherokee</b>	DA
<b>Town of Hollister</b>	DA
<b>Town of Bradley</b>	Petition

<b>City of Lindsay</b>	DA Request
<b>City of Henryetta</b>	Petition
<b>City of Holdenville</b>	Petition
<b>Yale Housing Authority</b>	Board Request
<b>City of Konawa- DA/Board/ Second DA</b>	DA Request Board Request DA Request
<b>Town of Fort Towson</b>	DA Request
<b>City of Grandfield</b>	DA Request
<b>Town of Wanette</b>	Petition
<b>Town of Fort Coffee</b>	Board Request
<b>Town of Haworth</b>	DA Request



<b>Santa Fe South Charter Schools</b>	Board Request
<b>Town of Afton</b>	Petition
<b>City of Spencer</b>	Peitition
<b>Varnum Public Schools</b>	DA Request
<b>City of Oilton</b>	Petition
<b>City of Harrah</b>	Board Request
<b>Southeast Library System</b>	DA Request
<b>Town of Fairview</b>	Board Request
<b>Lincoln County E-911</b>	DA Request
<b>Cleveland County Sheriff Special</b>	DA Request

<b>Town of Washington</b>	Board Request
<b>Stillwater Booster Club</b>	DA Request
<b>Bokoshe Public Schools</b>	DA Request
<b>City of McLoud</b>	Board Request
<b>Funding Formula - State Aid Litigation</b>	State Board Request
<b>Town of Colbert</b>	Board Request
<b>Mayes County Fairgrounds &amp; Event Center</b>	DA Request
<b>Stephens County RWD #1</b>	DA Request
<b>Grady County Volunteer Fire Department</b>	DA Request

<b>Shawnee Civic &amp; Cultural Authority</b>	DA Request
<b>Pott County Free Fair Board</b>	DA Request
<b>City of Wagoner</b>	Board Request
<b>City of Sulphur</b>	DA Request
<b>Town of Roff</b>	DA Request
<b>Town of Maysville</b>	Citizen Petition
<b>City of Muskogee</b>	Board Request
<b>Corporation Commission</b>	DA Request
<b>Town of Foyil</b>	Board Request
<b>Town of Mulhall</b>	Citizen Petition





**FORENSIC  
DIVISION**

**Assists the  
Prosecution**



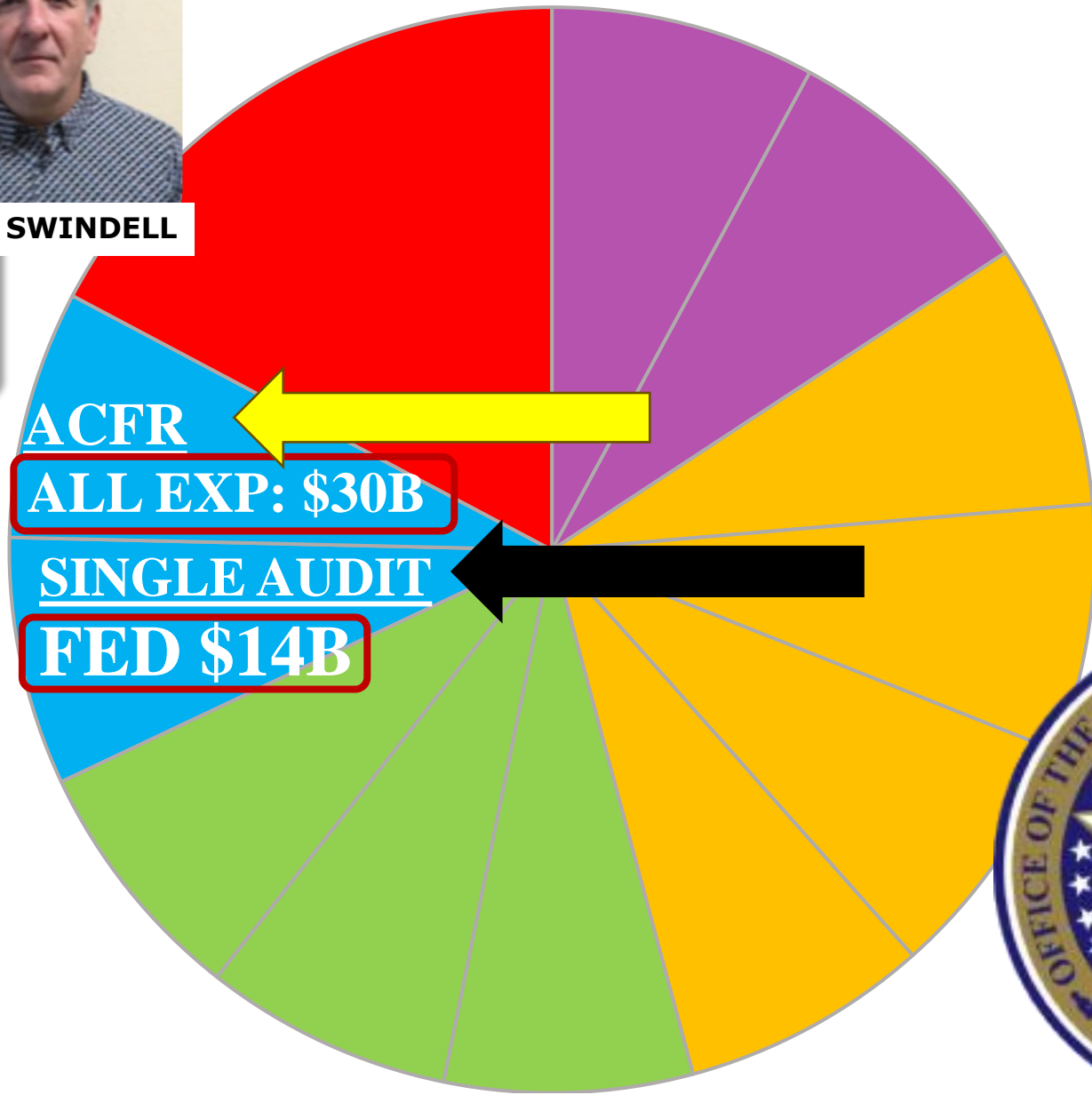


**BILLY SWINDELL**

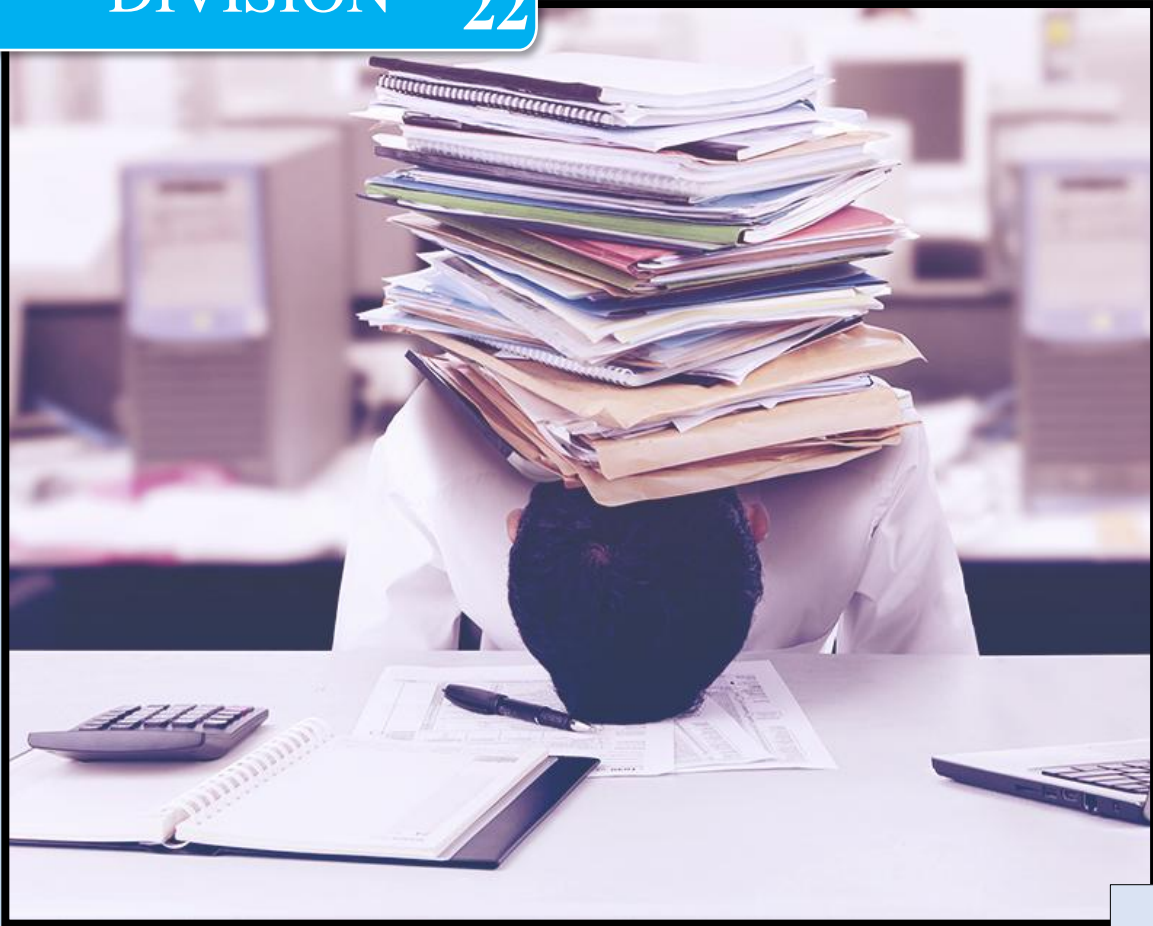
# STATE DIVISION

22

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



**STATE  
DIVISION 22**



**FY23- Sep 4, 2024** ←

**STATE BOND RATING**



OFFICE OF MANAGEMENT  
& ENTERPRISE SERVICES

**Statewide Financial Report**



**ACFR**

ANNUAL COMPREHENSIVE FINANCIAL REPORT



# FEDERAL DOLLARS

---

**Pandemic Relief**

**\$21M**

**KNOWN**

**QUESTIONED COSTS**



**Emergency Rental  
Assistance**

**RETURN FUNDS?**



## OKLAHOMA COUNTY SINGLE AUDIT REPORT

**\$30M** **QUESTIONED COSTS**

For the fiscal year ended June 30, 2022

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



**OKLAHOMA**  
Office of the State Auditor & Inspector

## **FEDERAL SINGLE AUDIT UNCOVERS OMES LACK OF OVERSIGHT**

**“I believe Oklahoma is rapidly becoming a no-bid state. This is a grave disservice to the taxpayers.”**

**OKLAHOMA CITY, OK (April 23, 2024)**

Oklahoma State Auditor & Inspector (SAI) Cindy Byrd today released the Federal Single Audit of expenditures made during FY 2022. This annual audit is a federally-mandated examination of whether the State of Oklahoma spent federal grant money in compliance with federal regulations.

RE: Investigative Audit Request – OMES Procurement & Contracting

Auditor Byrd:

I have serious concerns regarding procurement and contracting practices at the Office of Management and Enterprise Services (OMES). This is further confirmed by the results of your office's previous audits and my previous audit requests. These concerns involved potential violations of state law.

As a result, and pursuant to 74 O.S.2021, § 18f, I request that your office conduct an investigative audit of OMES's procurement and contracting practices.

Please let me know if you need additional information or direction. The Office of the Attorney General stands ready to assist your efforts in any way possible.



GENTNER DRUMMOND  
ATTORNEY GENERAL

Respectfully,

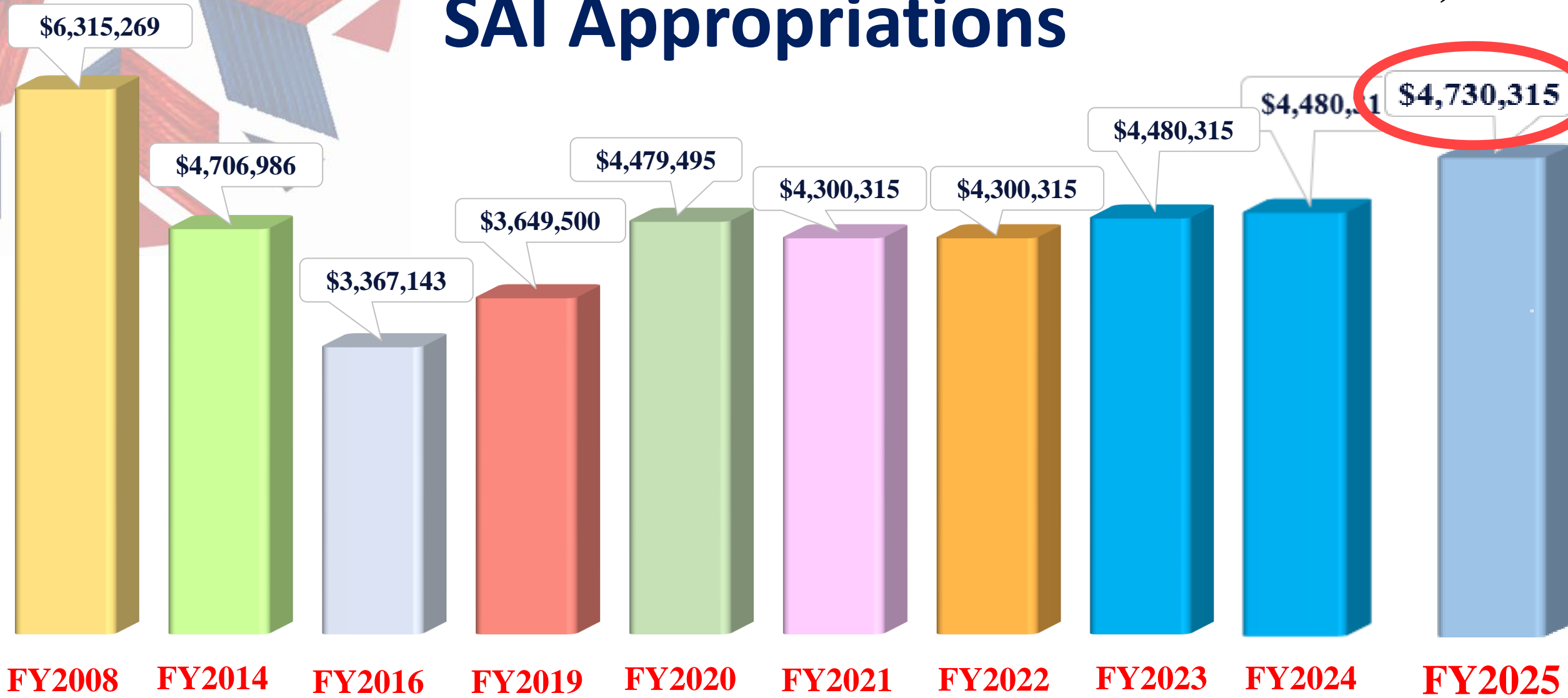
A handwritten signature in blue ink, appearing to read "Gentner Drummond".

GENTNER DRUMMOND  
*Attorney General*

**\$5.4M for FY26**

**+\$683,000**

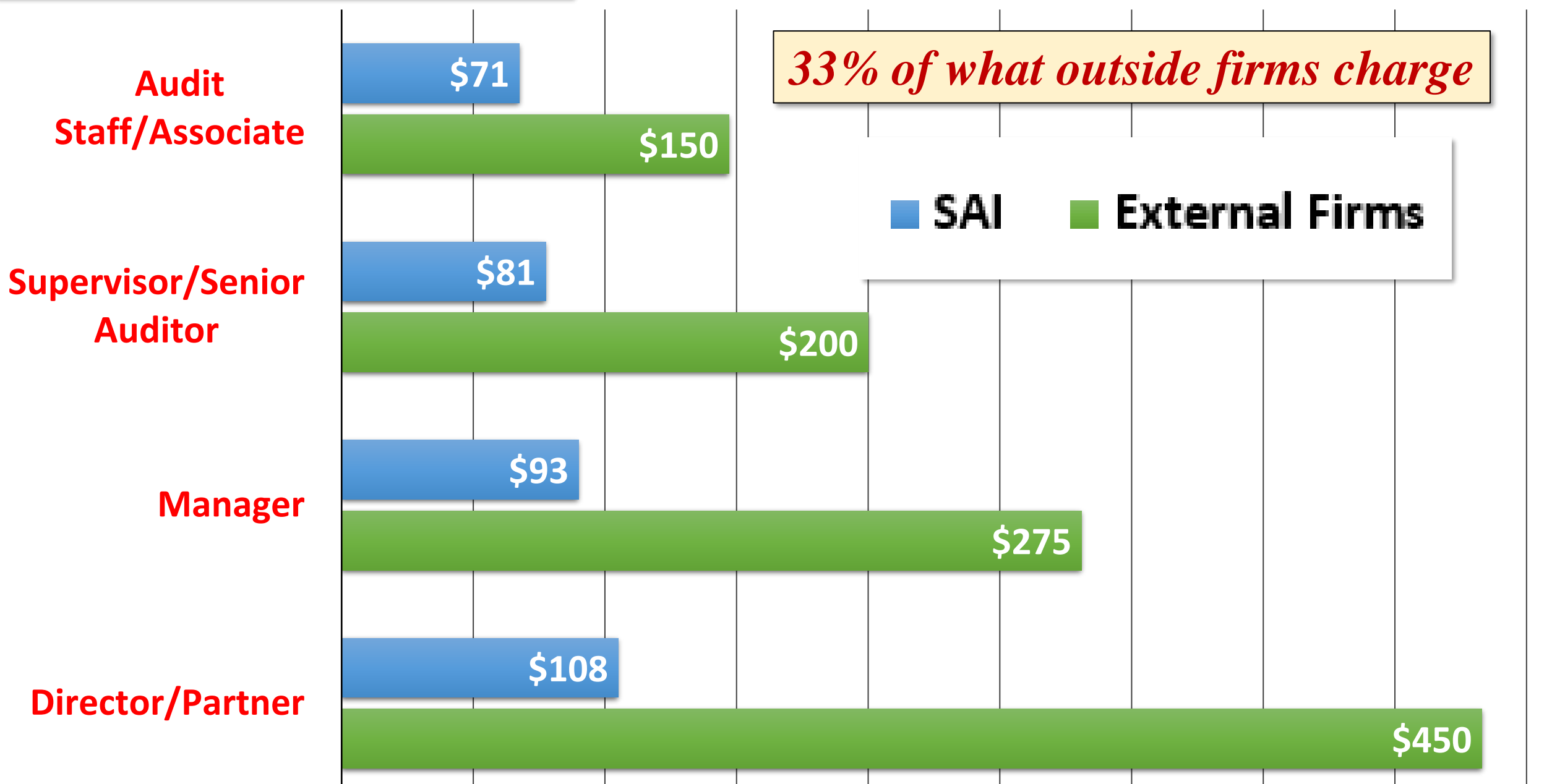
# SAI Appropriations





# *FY24 Hourly Billing Rates*

# SAI Compared to External CPA Firms



*33% of what outside firms charge*

■ SAI   ■ External Firms

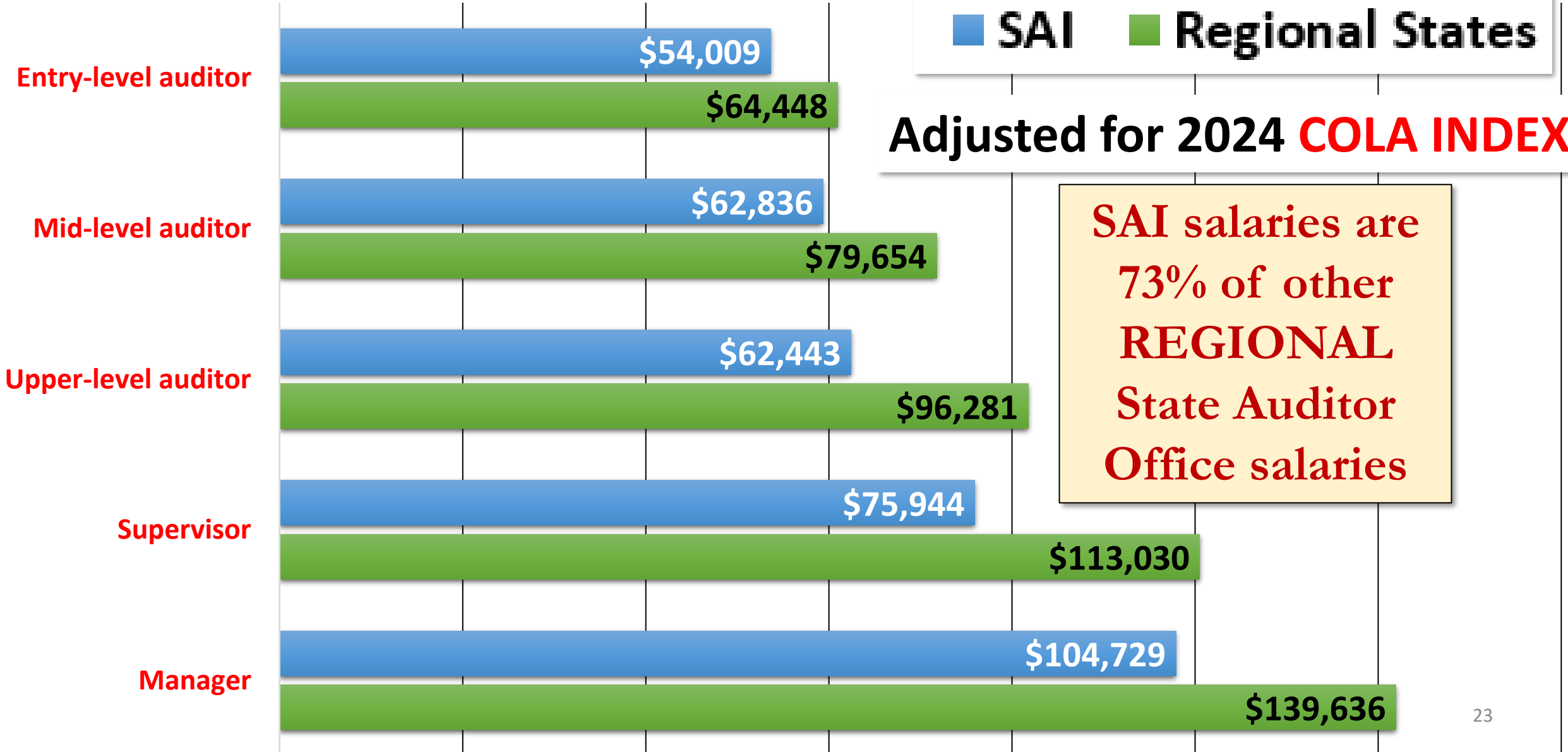
# *SALARIES*

## SAI Compared to Regional State Auditor Offices

■ SAI ■ Regional States

Adjusted for 2024 COLA INDEX

SAI salaries are  
73% of other  
**REGIONAL**  
State Auditor  
Office salaries



# POACHING (2022)

SAI POSITION	NEW EMPLOYER	SAI SALARY	NEW EMPLOYER SALARY	DIFFERENCE	
Audit Manager	City of Stillwater	<b>\$92,600</b>	<b>\$107,000</b>	<b>\$14,400</b>	<b>15.6%</b>
Staff Auditor	Air Force	<b>\$44,000</b>	<b>\$52,000</b>	<b>\$8,000</b>	<b>18.2%</b>
Staff Auditor	Depart. of Defense	<b>\$46,600</b>	<b>\$65,000</b>	<b>\$18,400</b>	<b>39.5%</b>
Staff Auditor	Depart. of Defense	<b>\$53,500</b>	<b>\$65,000</b>	<b>\$11,500</b>	<b>21.5%</b>
Staff Auditor	Public Audit Firm	<b>\$45,500</b>	<b>\$65,000</b>	<b>\$19,500</b>	<b>42.9%</b>

# POACHING (2023)

SAI POSITION	NEW EMPLOYER	SAI SALARY	NEW EMPLOYER SALARY	DIFFERENCE	
Audit Director	Public Firm	<b>\$108,000</b>	<b>\$133,000</b>	<b>\$25,000</b>	<b>23.2%</b>
Admin Manager	Corporation Commission	<b>\$84,750</b>	<b>\$94,000</b>	<b>\$9,250</b>	<b>10.9%</b>
Staff Auditor	ODOT	<b>\$52,200</b>	<b>\$61,600</b>	<b>\$9,400</b>	<b>18.0%</b>
IT Auditor	Dept. of Health	<b>\$63,000</b>	<b>\$85,000</b>	<b>\$22,000</b>	<b>34.9%</b>
Staff Auditor	OMES	<b>\$49,400</b>	<b>\$62,500</b>	<b>\$13,100</b>	<b>26.5%</b>



# POACHING (2024)

SAI POSITION	NEW EMPLOYER	SAI SALARY	NEW EMPLOYER SALARY	DIFFERENCE	
Senior Auditor	Oklahoma Broadband Office	<b>\$60,000</b>	<b>\$74,500</b>	<b>\$14,500</b>	<b>24.2%</b>
Staff Auditor	Oklahoma Science Museum	<b>\$51,000</b>	<b>\$60,000</b>	<b>\$9,000</b>	<b>17.6%</b>
Staff Auditor	Oklahoma Insurance Department	<b>\$52,400</b>	<b>\$58,152</b>	<b>\$5,752</b>	<b>11.0%</b>
Staff Auditor	OMES	<b>\$49,400</b>	<b>\$62,500</b>	<b>\$13,100</b>	<b>26.5%</b>
Staff Auditor	ODOT	<b>\$52,200</b>	<b>\$64,800</b>	<b>\$12,600</b>	<b>24.1%</b>

**1) REPEATED FINDINGS**

**2) LACK OF COOPERATION**

**3) INCREASED FEDERAL GRANTS**



**APPROPRIATED FUNDS:**

**\$4,730,325**

**for FISCAL YEAR 2025**

---

**LEGISLATIVE REQUEST:**

**One-Time Increase of \$683,000**

**\$5.4M for 2026**

# REVOLVING FUNDS:



## Oklahoma Statutes

Title 74. State Government;

Section 227.9 - **State Auditor and Inspector Revolving Fund**

“...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).**”

---

## **LEGISLATIVE REQUEST:**

# REMOVE CAP OR RAISE TO \$2M



# SAI LEGISLATIVE NEEDS

INCREASE APPROPRIATIONS by \$683,000

REVOLVING FUND CAP RAISED or REMOVED



**OKLAHOMA**  
Office of the State Auditor & Inspector

**(580)927-5694**

*Thank You*

