



To: Wendi Whittier, Internal Auditor
 From: Robin Slawson, Senior Program Monitor
 Date: January 31, 2018
 RE: Internal Audit Report, Quarter Ending 12-31-2017

The following is a response to the above referenced report regarding concerns and recommendations as outlined below:

The Internal Auditor’s report reflects concerns, recommendations and the corrective action by Staff as follows:

- Uploads to OKGrants of supporting documentation are not all available, consistent, complete, or all signed.
- Payments are made without all supporting documentation being uploaded
- Documentation not consistently available indicating ODOC staff verified or reviewed the uploads before payment made or expenditures processed

Corrective Action – Staff concluded that the Internal Auditor did not always have access to review information in the OK-Grants system uploads section of each payment or expenditure review due to a technical issue within the OK-Grants system. The insert below is an example of where the information was reviewed resulting in this issue and where the sub-recipient information is actually uploaded and reviewed by staff for each pay request and each expenditure with initials and date of review in the Notes Section.

Auditor Reviewed the area below on requests for payments as this is the only notes visible at the time of review, which is actually where only the sub-recipient can put notes and is not a requirement, thus the issue of not all available, consistent, or all signed:

Explanation and/or breakdown of requested funds

CC is requesting advance for professional services provided by IBTS for the month of August 2017. Please see attached draw breakdown and backup documents.

Below is the ODOC staff section for review notes that will be available for internal auditor review once the OK-Grants system issue is resolved. The OK-Grants Administrator is aware of the problem and will work with the Internal Auditor until appropriate access can be finalized. The notes section is located in both the payments and expenditure reports as shown:

Notes

Message	Date	Action
Invoice and uploads review and approval.RS		
10/11/17 - Review of Project Delivery backup documents for Contract #16911 Draw #51 - Ardurra \$3,465.00 - Roads 9, 9A, 10; NB \$4,600.00 - Road 10; Atkins Const. Mngmnt \$16,568.40 - Roads 2,3,9 & 9A; Terry Neese \$5,328.00 - Road 9 & 10; Direct Costs are 15,659.42 and 7919.68 TOTAL 53,540.50; 17,721.00 + 15,855=33,576.00 ADMIN. RS Submitted: 10/11/2017 4:38:59 PM Author: Robin Slawson	10/11/2017	Edit



- Coordinate with HUD the differences that occurred as a result voucher modifications.

Corrective Action – HUD financial staff will be coordinating with ODOC staff to assist with performing budget & obligation corrections to reconcile with actual round expenditures to be completed quarter ending March 31, 2018.

Issue #2. Observations and Recommendations

1. Uploads to OKGrants of supporting documentation are not all available, consistent, complete, or all signed.

Recommendation: I recommend that a checklist be prepared that includes a review of all uploads so that when a project is monitored each item is reviewed to verify that all uploads are available, consistent, complete and all signed.

Corrective Action – As recommended, Staff has developed a Monitoring Review spreadsheet that will reflect sub-recipient items submitted or uploaded through the ok-grants system and reviewed by ODOC staff. This spreadsheet will be provided to the monitoring agency upon an executed contract and entrance conference with ODOC for their use to verify documents during sub-recipient monitoring.

2. Payments are made without all supporting documentation being uploaded.

Recommendation: I recommend that no payments are made without supporting documentation that has been verified for completeness and accuracy. The checklist addressed above would be a tool that could be used to insure consistency.

Corrective Action – Staff continues to review all submittals with each payment and expenditure of the sub-recipient with notes reflecting this review in OK-Grants and on the Monitoring Review spreadsheet as suggested.

3. Documentation not consistently available indicating ODOC staff verified or reviewed the uploads before payment made or expenditures processed.

Recommendation: I recommend that the comments section be used to document that the uploads have been reviewed by ODOC staff complete with initials and dated.



Corrective Action – Staff utilizes the Notes Section in OK-grants for the review of sub-recipient submittals. The Notes Section is located in the menu at the top of the request for payment. The comments section on the pay requests is for sub-recipients only and is not required as previously explained above and illustrated below:

[PRINT VERSION](#) [SHOW NOTES \(1\)](#) [CHECK GLOBAL ERRORS](#)

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Document Information: 16911-053-DR
Parent Information: DR-2014-Cleveland Co.-00080

[Details](#)

You are here: > [ODOC Advance Menu](#) > [Forms Menu](#) > Request for Payment

REQUEST FOR PAYMENT

4. Coordinate with HUD the differences that occurred as a result of voucher modifications.

Recommendation: I recommend the Department perform the reconciliations as soon as possible. Some accounting differences occurred when the multiple funding rounds began to be consolidated. The Department needs to reconcile these differences before this process is continued. When the Department asked for assistance from HUD in August, HUD asked for the differences to be reconciled. HUD stated that “some time ago, ...a large number of voucher adjustments were processed in order to meet one of the expenditure deadlines. A number of those adjustments did not appear to be correct.”

Corrective Action – As previously stated above, HUD financial staff will be coordinating with ODOC staff to assist with performing budget & obligation corrections to reconcile with actual round expenditures to be completed quarter ending March 31, 2018.

Additionally, the above reconciliation coordinates with HUD’s efforts to correct an action previously made by the HUD Disaster Recovery staff when executing an agreement with ODOC for the Cumulative Expenditure Schedule.