



# OKLAHOMA BOARD OF NURSING

Operational Audit

For the period January 1, 2021 through June 30, 2023

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

**Audit Report of the  
Oklahoma Board of Nursing**

**For the Period  
January 1, 2021 through June 30, 2023**

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May 8, 2024

**TO THE OKLAHOMA BOARD OF NURSING BOARD**

We present the audit report of the Oklahoma Board of Nursing for the period January 1, 2021 through June 30, 2023. The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

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

This report is a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.) and shall be open to any person for inspection and copying.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

**Background**

The mission of the Oklahoma Board of Nursing (the Agency) is to safeguard the public's health, safety, and welfare through the regulation of nursing practice and nursing education. The Agency is responsible for regulating the practice of nursing and establishing minimum standards for education programs and is self-sustaining through collection of licensing and renewal fees.

Oversight is provided by a board of eleven members (the Board): six registered nurses, three practical nurses, and two members representing the public, all appointed by the governor.

Board members as of April 2024 are:

- Kyle Leemaster ..... President
- Nikole Hicks ..... Vice-President
- Shawn Stachovic .....Secretary
- Carissa Bailey..... Member
- Paul Curtis Baker ..... Member
- Amber Garretson ..... Member
- Katherine O'Dell ..... Member
- Callie Rinehart..... Member
- Shaston Salie ..... Member
- Kari Blakley..... Public Member
- Marisa Wrape ..... Public Member

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The following table summarizes the Agency’s sources and uses of funds for fiscal years 2022 and 2023 (July 1, 2021 through June 30, 2023).

**Sources and Uses of Funds for FY 2022 and FY 2023**

	<b>2022</b>	<b>2023</b>
<b>Sources:</b>		
Licenses, Permits, Fees	\$ 3,753,629	\$ 4,001,780
Other Fines, Forfeits, Penalties	76,850	140,750
Grants, Refunds, & Reimbursements	10,941	1,205
<b>Total Sources</b>	<b>\$ 3,841,420</b>	<b>\$ 4,143,735</b>
<b>Uses:</b>		
Personnel Services	\$ 2,616,484	\$ 2,609,195
Professional Services	478,522	529,816
Administrative Expenses	209,451	220,557
Travel	16,150	28,946
Other Expenses	11,197	16,101
<b>Total Uses</b>	<b>\$ 3,331,804</b>	<b>\$ 3,404,615</b>

*Source: Oklahoma State Accounting System (unaudited, for informational purposes only)*

**Scope and  
Methodology**

Our audit was conducted in response to 74 O.S. § 212, which requires the State Auditor and Inspector’s office to audit the books and accounts of all state agencies whose duty it is to collect, disburse, or manage funds of the state.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessment of materiality and risk for the period January 1, 2021 through June 30, 2023. To assess risk and develop our audit objective, we held discussions with management, distributed surveys to Agency personnel, and performed data analysis. These procedures included:

- Reviewing revenue, expenditure, and asset-related data from the state accounting system and information gathered from Agency personnel to assess the related financial processes and trends for any notable risks.
- Reviewing the Agency’s HR actions from the state accounting system to assess personnel changes that had a financial impact during the audit period.
- Reviewing inventory listings submitted to the Office of Management and Enterprise Services for the audit period.
- Reviewing the Agency’s board meeting minutes and pertinent statutes and regulations and assessing related risks, including reviewing transfers to the general revenue fund required by statute.

One objective related to payroll was developed, as discussed in the next section. No other significant risks or findings were identified as a result of these procedures.

We utilized sampling of transactions to achieve our objectives. To ensure the samples were representative of the population and provided sufficient, appropriate evidence, the random sample methodology was used. We identified specific attributes for testing each of the samples.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, errors or fraud may occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

### Internal Control Considerations

The Government Accountability Office (GAO) emphasizes the importance of internal controls at all levels of government entities. Their *Standards for Internal Control*<sup>1</sup> outline the five overarching components of internal control: the control environment, risk assessment, information and communication, monitoring, and detailed control activities. Any component considered significant to our audit objectives is assessed during our procedures and included as appropriate in this report.

The *Standards for Internal Control* underscore that an internal control system is effective only when the five components of internal control are operating together in an integrated manner. They also stress that documentation is a necessary part of an effective internal control system and is required to demonstrate its design, implementation, and operating effectiveness.

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<sup>1</sup> *Standards for Internal Control in the Federal Government*, or the “Green Book,” sets standards and the overall framework for an effective internal control system in federal agencies and is treated as best practices for other levels of government. Last update 2014, accessible online at <https://www.gao.gov/products/GAO-14-704G>.

**OBJECTIVE** Determine whether the agency’s internal control system is operating in line with Government Accountability Office *Standards for Internal Control* to ensure payroll expenditures are independently reviewed and approved.

**Conclusion** The Agency’s internal control system is operating in line with Government Accountability Office *Standards for Internal Control* to ensure payroll expenditures are independently reviewed and approved.

**Scope & Methodology** To accomplish our objective, we performed the following:

- Documented our understanding of the payroll processes through discussion with management and staff and review of documentation.
- Reviewed all payroll changes that had a financial impact in FY 2023, a total of 24, to ensure they were properly approved by the executive director. Given that the Agency implemented a new payroll system, Workday, in FY2023, our testwork focused on the changes from this period to ensure we were giving relevant and timely feedback.
- Reviewed nine monthly payroll claims (30% of audit period months) to ensure they were reviewed and approved by the executive director.

No findings were identified as a result of these procedures.



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S·A·I  
STATE AUDITOR & INSPECTOR



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

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