

April 21, 2025

Board of Regents  
Northern Oklahoma College  
1220 East Grand Avenue  
Tonkawa, OK 74653-0310

**Re: Report on Internal Audit Type Monitoring Activities – NOC**

Members of the Board:

Northern Oklahoma College (NOC) engaged Crawford and Associates, P. C. to provide certain professional services as identified in the Scope and Objectives of Our Services section below. This report describes the scope and objectives of our services, the specific procedures we performed, our findings and recommendations, and NOC management's responses to our findings and recommendations.

**Scope and Objectives of Our Services**

The scope of our professional services was limited to performing certain consulting services designed to assist the NOC Board in meeting its fiduciary responsibilities. These services were performed in accordance with the standards applicable to consulting engagements of the American Institute of Certified Public Accountants. With regards to this specific engagement, the scope of our services included certain internal audit type monitoring procedures in the following areas at NOC:

- Miscellaneous Claims Encumbrance and Pre-Audit System
- Follow-up on Prior Year Recommendations

The objectives of our services in this engagement were to obtain information and review selected accounting records to determine whether any recommendations are warranted regarding the design of established internal control policies and procedures, and to report on the level of compliance with those policies and procedures as designed based on our test work.

**Miscellaneous Claims Encumbrance and Pre-Audit System**

**Procedures Performed:**

To accomplish the stated objectives, we performed the following procedures:

- Obtained and reviewed NOC policies and procedures, and State laws and regulations regarding the Miscellaneous Claims Encumbrance and Pre-Audit System as established by the Oklahoma State Regents for Higher Education (OSRHE) and the Office of Management and Enterprise Services (OMES).
- Obtained and reviewed prior OMES Quality Control Compliance Review reports for claims processed by NOC through the Miscellaneous Claims Encumbrance and Pre-Audit System; and
- Selected a random sample of claims processed by NOC through the Miscellaneous Claims Encumbrance and Pre-Audit System for testing compliance with the established internal control policies and procedures and applicable State laws and regulations. Such testing was designed to meet the OMES Internal Audit Procedures Minimum Requirements.

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**Procedures Performed – continued:**

We identified a population of 4,671 claims processed through the Miscellaneous Claims Encumbrance and Pre-Audit System for the audit scope period of April 2024 through March 2025. We randomly selected 30 claims to be tested. This represents approximately two-thirds of one percent (0.64%) of the total claims processed by the College for the period.

**Findings:**

- All claims tested were properly approved with the mandatory certification statement.
- All claims tested appeared to be for a public purpose and were expended appropriately.
- All claims tested contained documentation of proper receipt and evidence of payment approval.
- All claims tested were properly calculated and agreed to supporting documentation.
- All claims tested had proper vendor identification information that agreed to a vendor invoice and/or other supporting documentation.
- All claims tested were properly recorded in the appropriate fiscal year of expenditure.
- Twenty-eight (93%) of the 30 claims tested were properly encumbered prior to the receipt of goods and/or services. The following two claims were not encumbered prior to the receipt of goods and/or services:

Claim Number	Payee	Invoice Date	Encumbrance Date	Amount
259627	Great Western Dining Service	10/16/2024	None	\$ 24,617.81
261730	Shred-it	01/03/2025	None	\$ 309.90

- Twenty-nine (97%) of the 30 claims tested included the proper State Account Code. The following claim had a misclassification:

Claim Number	Payee	Account Code Used	Correct Account Code	Amount
263575	KO Huts Inc. (Pizza Hut)	531350	522130	\$ 86.00

The following is a list of the State Account Codes referenced above with a brief description for each:

Account Code Number	Account Code Description
531350	Utility charges – other utilities
522130	Out-of-state purchase of food and lodging

**Recommendation:**

We recommend College management reinforce with the appropriate staff compliance with the designed internal control procedure to ensure that all claims are properly encumbered prior to receipt of goods and services and recorded using the correct State Account Codes in accordance with the OMES Procedures Manual.

**Management Response:**

Management agrees with the recommendation.

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**Follow-up on Prior Year Recommendations**

- **Miscellaneous Claims Encumbrance and Pre-Audit System**: Based on our follow-up procedures and discussions with management, although there are similar current period findings, it appears our recommendations regarding proper encumbrance, proper vendor invoice information, proper account coding, and proper fiscal year recorded, have been implemented.
- **Athletics**: Based on our follow-up procedures and discussions with management, it appears our recommendation to ensure that the amount of student aid promised to student-athletes in their LOI matches the actual amount applied to the student-athletes account during the academic year, has been implemented.
- **Clery Act**: Based on our follow-up procedures and discussions with management, it appears our recommendation to ensure the policies and disclosures in the Annual Security Report are in compliance with *The Handbook for Campus Safety and Security Reporting* published by the U.S. Department of Education and Title 34 CFR 668.46, has been implemented.



We would like to express our appreciation for all the courtesy and assistance we received from staff during our work at the College and hope that this report will be of benefit to NOC.

*Crawford & Associates, P.C.*

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