

***CITY AUDITOR
Matt Weller, CPA***

***ANNUAL REPORT
Fiscal Year 2026
and
INDEPENDENCE NOTIFICATION
Fiscal Year 2027***

MAYOR AND CITY COUNCIL

<i>David Holt</i>	<i>Mayor</i>
<i>Bradley Carter</i>	<i>Ward 1</i>
<i>James Cooper</i>	<i>Ward 2</i>
<i>Katrina Avers</i>	<i>Audit Committee, Ward 3</i>
<i>Todd Stone</i>	<i>Audit Committee, Ward 4</i>
<i>Matt Hinkle</i>	<i>Ward 5</i>
<i>JoBeth Hamon</i>	<i>Ward 6</i>
<i>Camal Pennington</i>	<i>Audit Committee, Ward 7</i>
<i>Mark K. Stonecipher</i>	<i>Ward 8</i>



Office of the City Auditor Annual Report

October 13, 2026

The Mayor and City Council:

The attached Annual Report highlights Office of the City Auditor operating results and activities during fiscal year 2026.

The extent to which significant goals were achieved for the Audit Services and Ethics Assurance Programs is discussed in the Key Performance Targets and Results section of this report.

A synopsis of fiscal year 2026 audit, investigation and advisory service projects is provided in the Audit Services Program section. These projects included:

- ♦ Public Safety Sales Tax
- ♦ Fire Department Information Technology Service Management
- ♦ Key to Home Encampment Rehousing Initiative Risk Assessment
- ♦ Public Transportation Bus & Streetcar Fare Revenues
- ♦ On-the-Job Injury & Administrative Leave Usage
- ♦ eCommerce Application Penetration Testing
- ♦ Citywide Temporary Acting Pay & Public Works Payroll Follow-Up
- ♦ Public Works Architect & Engineer Contracting
- ♦ Development Services Abatement Collections
- ♦ City Ethics Policy Update
- ♦ Contractor Employee Background Checks
- ♦ Police Property Room Currency Dispositions & Bank Balances
- ♦ Trosper Park Golf Course Investigation

Additionally, the Personnel Profiles section outlines my talented staffs' extensive work experience, professional certifications, advanced degrees and leadership roles in professional organizations.

Finally, areas in which the Office may not be independent to provide audit services are disclosed in the Independence Notification section of the attached report.

A handwritten signature in black ink that reads "Matt Weller". The signature is written in a cursive, flowing style.

Matt Weller
City Auditor



**Office of the City Auditor
Annual Report
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Office of the City Auditor Key Performance Targets and Results

Fiscal Year 2026

MISSION

The mission of the Office of the City Auditor is to provide independent audit, investigative and advisory services to City Council, appointed officials, and executive managers so they can make better-informed policy and operational decisions.

AUDIT SERVICES PROGRAM

<i>Key Measures</i>	<i>FY24 Actual</i>	<i>FY25 Actual</i>	<i>FY26 Actual</i>	<i>FY27 Target</i>
1. % of City Council and other City decision makers rating the quality of audit services as “good” or “excellent”	100%	100%	100%	90%
2. % of audit recommendations accepted by management	100%	100%	100%	95%

Client satisfaction is an indicator of audit service quality. Client feedback on audit services is obtained using engagement and annual surveys. Audit clients are asked to rate their satisfaction with several audit service attributes including relevance, usefulness, timeliness, and professionalism. Audit clients continue to offer positive feedback with audit service ratings of ‘good’ or ‘excellent’ on all 10 satisfaction surveys relating to services provided during FY26.

Acceptance of audit recommendations is another indicator of service quality. In FY26, management accepted and provided estimated implementation dates for all 34 recommendations included in four reports issued during the year. This result exceeds the 95% industry benchmark published by the Association of Local Government Auditors.

ETHICS ASSURANCE PROGRAM

<i>Key Measures</i>	<i>FY24 Actual</i>	<i>FY25 Actual</i>	<i>FY26 Actual</i>	<i>FY27 Target</i>
1. % of actionable allegations assessed and assigned for investigation within five days of reporting	95%	97%	97%	90%

The primary purpose of the Ethics Assurance Program is to help management detect and address fraud, waste, and abuse. The OKC4Ethics Hotline was established to provide employees with an anonymous means of reporting suspected instances of such activity. Addressing allegations in a timely manner is important to limiting potential loss or other negative impacts from unethical behavior and is key in maintaining employee confidence in the Hotline. Of 33 actionable allegations received during FY26, 32 were assigned for investigation within the targeted timeframe.



Office of the City Auditor
Audit Services Program: Summary Report

as of June 30, 2026

AUDITS	STATUS
Public Safety Sales Tax Report – FY 2024 Expenditures complied with the Journal Entry of Judgment, and the Report fairly presents revenues, expenditures, and fund balances.	Issued 10/21/25
Fire – Information Technology Service Management The Fire Department Information Technology section resolves a large volume of work tickets with reasonable timeliness during fiscal year 2025; however, opportunities exist to increase productivity and efficiency.	Issued 2/24/26
Public Transportation – Bus & Streetcar Fare Revenue Controls Established controls were adequate to ensure the material accuracy of recorded bus and streetcar fare revenues for the six months ending December 31, 2024, but were not adequate to ensure the completeness of those revenues.	Issued 4/21/26
Citywide – Injury & Administrative Leave Usage Evaluating the adequacy and effectiveness of controls ensuring injury and administrative leave time usage complies with related City policies, and the adequacy of injury leave time usage oversight.	Reporting
Temporary Acting Pay & Public Works Payroll Follow-Up Evaluating the implementation status of recommendations included in our previous Citywide Temporary Acting Pay & Public Works Payroll audit.	Reporting
Public Safety Sales Tax Report – FY 2025 Assessing whether expenditures complied with the Journal Entry of Judgment and whether the Report fairly presents revenues, expenditures, and fund balances.	Fieldwork
Citywide Payroll Evaluating the adequacy and effectiveness of controls ensuring accurate, complete, and timely payroll processing.	Planning
Public Works – Architect & Engineer Contracting Evaluating the adequacy and effectiveness of controls ensuring architectural and engineering contracting is timely and efficient, and negotiated fees are reasonable.	Fieldwork Paused

AUDITS, continued	STATUS
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Development Services – Abatement Collections

Evaluating the adequacy and effectiveness of procedures for collecting amounts due for property abatements.

**Planning
Paused**

INVESTIGATIONS AND ADVISORY SERVICES	STATUS
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City Ethics Policy

Advised the Ethics Committee on updates to the City’s Comprehensive Code of Conduct and Ethics Policy for updates previously made by the Human Resources Department to the Code of Conduct in City Employment Policies.

**Policy
Issued
12/16/25**

Key to Home Encampment Rehousing Initiative Risk Assessment

Identified risks associated with City oversight of initiative activities carried out by partner agencies using City funding, including Federal grant funds, and made recommendations to address the identified risks.

**Report
Issued
1/13/26**

Municipal Counselor’s Office Policy Compliance

In cooperation with the Chief Human Resources Officer, investigated alleged violations of City Employment Policies in the Municipal Counselor’s Office.

**Complete
4/15/26**

Contractor Employee Background Checks

Investigated weaknesses in background checks conducted for City contractor employees requiring unescorted access to City facilities.

**Complete
6/5/26**

Private Development Maintenance Bonds

Investigated allegations of private development maintenance bonds not administered in accordance with internal policies.

**Complete
6/18/26**

eCommerce Application Penetration Testing

Developing a scope of work, selecting a vendor, and contracting for a review of security vulnerabilities in internally built, external-facing eCommerce web applications used for accepting City payments.

Ongoing

Police Property Management Unit Currency Disposition

Investigating allegations of court petitions for transfers of unclaimed Police-seized currency to the City’s General Fund not complying with related laws.

Ongoing

Police Property Management Unit Currency Bank Balance

Reviewing discrepancies identified by the Police Department between seized currency bank balance records and records of currency returned to owners.

Ongoing

Trosper Golf Course Investigation

Investigating alleged fraudulent payments to a vendor and missing revenue deposits at Trosper Golf Course.

Ongoing



Office of the City Auditor
Ethics Assurance Program: Summary Report



Fiscal Year 2026

The purpose of the Ethics Assurance Program is to provide independent ethics reporting, investigative and advisory services to the City Council and management so they can quickly detect and address reported cases of suspected fraud, waste, and abuse. The Ethics Assurance Program plays an integral role in the City's effort to maintain an ethical work environment and sustain citizen trust and confidence.

The Office of the City Auditor (OCA) manages suspected cases of fraud, waste, and abuse reported from sources including employees, management, contractors, citizens, or outside agencies. Such cases may be reported to OCA through various channels including in-person, U.S. mail, e-mail, or via the OKC 4Ethics Hotline (Hotline). All allegations, regardless of how they are received, are handled using the same assessment, investigative and follow-up protocols. This report summarizes results of allegations received and/or resolved during fiscal year 2026.

Allegation Type and Origin

There were 47 allegations reported during fiscal year 2026, of which 87% were reported through the Hotline. Table 1 summarizes the various types of allegations received during the fiscal year.

TABLE 1	87%	13%	100%
ALLEGATION TYPE	HOTLINE	NON-HOTLINE	TOTAL
Policy/Code Violations	23	4	27
Fraud & Illegal Acts	5	2	7
Abuse/Misuse/Waste of Resources	3	0	3
Inquiries	3	0	3
Health & Safety Issues	2	0	2
Allegation Not Related to City Ethics	5	0	5
TOTAL	41	6	47

Allegations generally relate to operations within a City department or City Trust. Table 2 lists allegations received during fiscal year 2026 by related department.

TABLE 2	
DEPARTMENT	ALLEGATIONS
OCCPA Golf	11
Public Works	7
Utilities	6
Fire	6
Transportation & Parking	4
Information Technology	4
Other	9
TOTAL	47

Allegation Assignment and Disposition

Allegations may be investigated by OCA, referred to a City department (generally for policy or lower risk issues), referred to a non-City agency (if relating to matters outside City jurisdiction or requiring external law enforcement) and/or deemed non-actionable. Non-actionable allegations result from insufficient or dated information, prior corrective action, immateriality, or inappropriate use of the Hotline. If referred to a City department, OCA generally requests the department to investigate, take appropriate action and communicate results to OCA within 30 days.

We categorize resolved allegations as Substantiated (allegation was validated); Substantiated - No Violation (conditions cited were accurate but did not constitute a violation); Unsubstantiated; Department Resolution (lower risk issues requiring no further audit involvement); or Inconclusive (available evidence is not sufficient to determine the validity of the allegation).

Table 3 summarizes assignments and dispositions for allegations reported and/or resolved during fiscal year 2026.

TABLE 3 DISPOSITION	ASSIGNMENT		
	REFER	INVESTIGATE	TOTAL
Department Resolution	6	0	6
Substantiated	6	1	7
Non-Actionable	N/A	N/A	14
Substantiated – No Violation	7	3	10
Unsubstantiated	3	7	10
Inconclusive	1	3	4
Open/Ongoing Allegations	1	1	2
TOTAL	24	15	53

Results

The City's ethics policy and Hotline are intended to enhance employee awareness and reporting of suspected fraud, waste, and abuse. Allegations resolved during fiscal year 2026, resulted in the following:

- ◆ Improved procedures and/or management controls over employee time and attendance, safeguarding City assets and contract administration.
- ◆ Enhanced awareness of and/or compliance with existing regulations and/or policies governing:
 - secondary employment
 - time and attendance
 - travel expense reimbursements
 - purchasing
 - take-home vehicles
 - courtesy golf rounds
- ◆ Situation appropriate personnel-related actions, including employee reprimand, suspension and termination.



Office of the City Auditor Independence Notification

Fiscal Year 2027

Policies and procedures adopted by the Mayor and City Council for the Office of the City Auditor require the City Auditor to advise the Mayor and City Council of any existing or potential threats to independence in all matters relating to the performance of his responsibilities as the City Auditor.

Government Auditing Standards, issued by the U.S. Government Accountability Office, require auditors and audit organizations to maintain independence of mind and appearance so that their opinions, findings, conclusions, judgements and recommendations will be impartial and viewed as impartial by reasonable and informed third parties.

Independence impairments could result if the Office of the City Auditor is required to provide certain audit services relating to the following:

Oklahoma City Employee Retirement System/Oklahoma City Deferred Compensation Board

The City Auditor serves as a Trustee of the Oklahoma City Employee Retirement System (OKC Municipal Code, Sec. 40-92) and of the Oklahoma City Deferred Compensation Board (OKC Municipal Code, Sec. 40-133).

Bid Committee

The City Auditor is a member of the Bid Committee (City Charter, Article IX, §4). The City Auditor or designee must be present at all bid openings. The Bid Committee establishes policies and procedures for receiving, opening, and recording electronic bids.

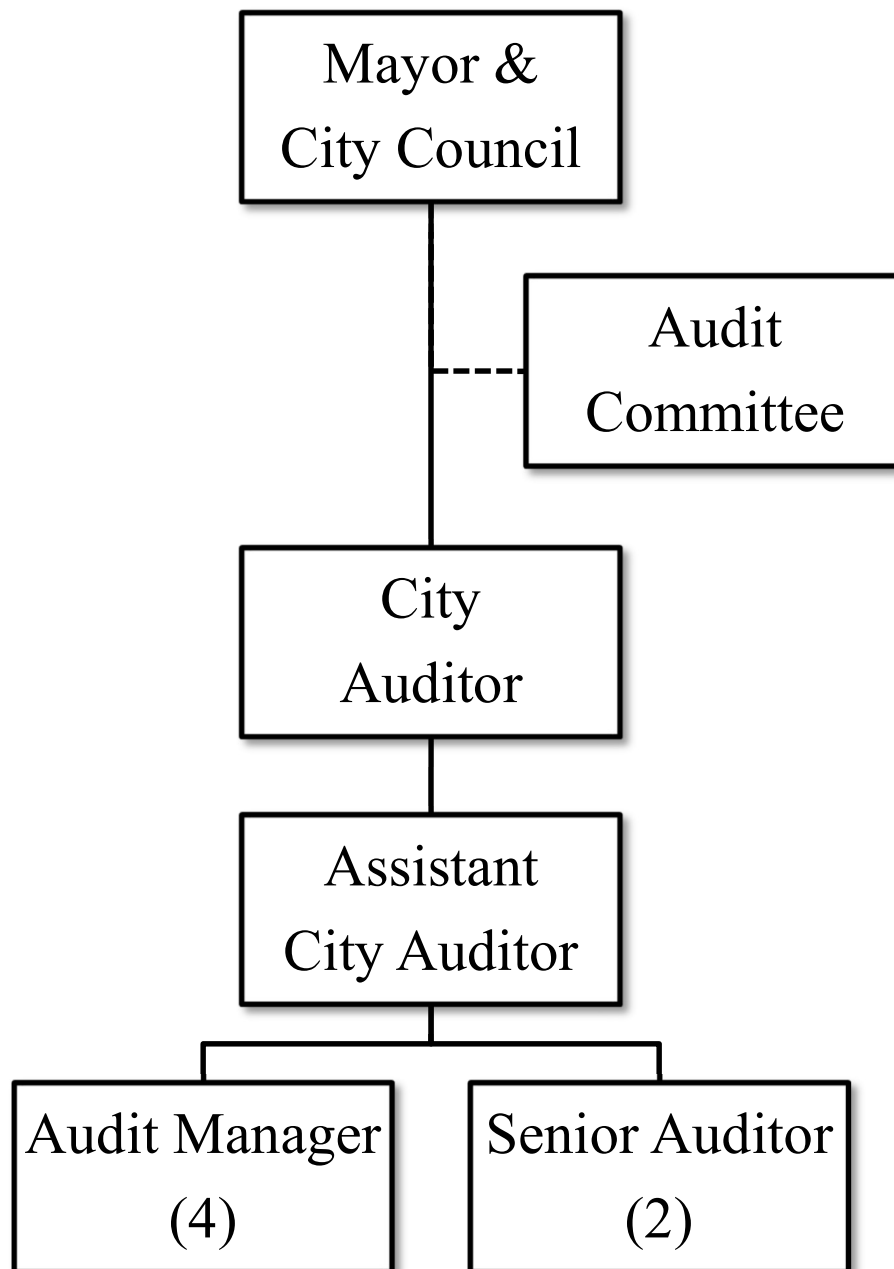
Facility Access Policy

The City Auditor approved the Public Facility Access Policy. The Policy is applied in administering access for the Mayor, Council and City Officials, as representatives of the people of Oklahoma City, to publically owned facilities during ticketed events.



Office of the City Auditor Organization Chart

As of July 1, 2026



Note: Teams of auditors conduct audit engagements. Audit teams may vary in size and staffing levels depending on many factors including the complexity of the audit, technical proficiency required and qualifications of available staff. An appropriate level of supervision is required by *Government Auditing Standards* and will vary based upon the members of the audit team and complexity of the work performed.



Office of the City Auditor Personnel Profiles

Matt Weller
CPA
City Auditor

Matt joined the Office of the City Auditor in 2000, was appointed City Auditor in 2022, and has over 31 years of auditing experience. He has previously served on the ALGA Board of Directors and on the ALGA Peer Review Committee in various capacities including Chair. Matt has also previously served as President and Treasurer of the IIA's Oklahoma City Chapter, and on the Chapter Board of Governors. Matt is also a member of the AICPA and OSCP.

Lori Rice
MBA, CIA
Assistant
City Auditor

Lori joined the Office of the City Auditor in 2009. She has 17 years of auditing experience and more than 15 years of accounting and financial operations management expertise. She is also certified in Six Sigma business process improvement. Lori is an active member of both ALGA and the IIA, currently serves on the ALGA Board of Directors, and has held multiple leadership roles within the IIA's Oklahoma City Chapter, including serving as President.

Christy Barron
CPA
Audit Manager

Christy joined the Office of City Auditor in 2021. She has 14 years of government auditing experience and five years of government financial management experience. Christy previously served on the Conference Committee for the Oklahoma Municipal Clerks, Treasurers and Finance Officials Association. She is also an ALGA and IIA member.

John Stringer
CIA, CPA
Audit Manager

John joined the Office of the City Auditor in 2023. He has over 15 years of auditing experience, including five years in government auditing. John has varied experience in assurance, risk consulting, IT auditing, data analysis, and financial modeling. He also has 12 years of experience in bank operations. John is currently pursuing the CISA certification. John is a member of the IIA, ISACA, and ALGA.

Jeremy Hicks
MBA, CIA, CISA
Audit Manager

Jeremy joined the Office of the City Auditor in 2025. He has over 15 years of auditing experience including over three years in IT auditing. Jeremy has varied experience in audit assurance, risk consulting, IT auditing, and data analysis. He has previously served as the Certifications Chair for the IIA's Oklahoma City Chapter. Jeremy is a member of the IIA, ISACA, and ALGA.

Tammy Davis
CIA, CFE
Audit Manager

Tammy joined the Office of the City Auditor in 2026. She has over 18 years of governmental and nonprofit accounting and management experience, and ten years of auditing experience. Tammy is a member of the AICPA, IIA, ACFE, and ALGA.

Tim Alvarez
CICA
Senior Auditor

Tim joined the Office of the City Auditor in 1989. He has over 39 years of auditing experience and two years of corporate accounting experience. Tim is a member of the IIC and ALGA and previously served on the Board of Governors for the IIA's Oklahoma City Chapter.

Certifications and Degrees

CIA = Certified Internal Auditor
CISA = Certified Information Systems Auditor
CICA = Certified Internal Controls Auditor
CFE = Certified Fraud Examiner
CPA = Certified Public Accountant
MBA = Master of Business Administration

Professional Organizations

ACFE = Association of Certified Fraud Examiners
AICPA = Association of International Public Accountants
ALGA = Association of Local Government Auditors
IIA = Institute of Internal Auditors
IIC = Institute for Internal Controls
ISACA = Information Systems Audit and Control Association
OSCPA = Oklahoma Society of Certified Public Accountants



Office of the City Auditor **Duties and Responsibilities**

The duties and responsibilities of the City Auditor include but are not limited to the following:

- ◆ Determining whether management has established and complied with procedures and practices to ensure that:
 - City operations are being conducted efficiently and effectively, in a manner consistent with the intended objectives of the governing body and in compliance with applicable laws and regulations;
 - Resources including funds, contractual rights, property, and personnel are adequately safeguarded; and
 - Financial and management records and reports disclose fairly, accurately, and completely all information that is required by law, that is necessary to assess the City's financial position, and that is necessary to understand and evaluate the results of operations.
- ◆ Evaluating and reporting on the adequacy and effectiveness of the internal control structure established and utilized over the payment of municipal funds.
- ◆ Determining compliance with the Journal Entry of Judgment relating to the Public Safety Sales Tax Funds.
- ◆ Serving as a Trustee of the Oklahoma City Employee Retirement System and the Oklahoma City Deferred Compensation Board.
- ◆ Receiving, opening, and recording electronic bids as a member of the Bid Committee.

Additionally, the Mayor and City Council has authorized the City Auditor to provide audit services to Public Trusts of which the City is the beneficiary. Resolutions requesting audit services have been adopted by the following trusts:

- Central Oklahoma Transportation and Parking Authority
- Oklahoma City Airport Trust
- Oklahoma City Environmental Assistance Trust
- Oklahoma City Municipal Facilities Authority
- Oklahoma City Public Property Authority
- Oklahoma City Riverfront Redevelopment Authority
- Oklahoma City Zoological Trust

Policies and procedures adopted by the Mayor and City Council direct that the City Auditor conduct operations in accordance with *Government Auditing Standards*, which include requirements for quality assurance. These policies also direct the City Auditor to prepare an audit plan, provide periodic progress reports to the Audit Committee, and report audit results to the Mayor and City Council jointly.