

REPORT ISSUED OCTOBER 23, 2013



STATE OF OKLAHOMA

OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES
AUDIT AND INTERNAL INVESTIGATIONS DIVISION

OKLAHOMA CORPORATION COMMISSION
PURCHASE CARD PROGRAM AUDIT
FOR THE PERIOD JULY 1, 2012 THROUGH JULY 1, 2013





**OKLAHOMA CORPORATION COMMISSION
PURCHASE CARD AUDIT
JULY 1, 2012 to JULY 1, 2013**



The Office of Management and Enterprise Services, Audit & Internal Investigations Unit has completed an audit of the Oklahoma Corporation Commission, referred to as the "Agency" within the audit report. Our audit was to determine if the Agency's purchase card program for the period July 1, 2012 to July 1, 2013 complied with the audit objectives.

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AUDIT PERFORMED BY

JoRay McCoy, Audit Director
Michael Gray, Auditor
Luciana Perez, Auditor



OKLAHOMA CORPORATION COMMISSION PURCHASE CARD AUDIT JULY 1, 2012 to JULY 1, 2013

This audit was performed pursuant to 74 O.S. § 85.5.E. and the State of Oklahoma Purchase Card Procedures in accordance with Generally Accepted Government Auditing Standards.



AUDIT CONCLUSION

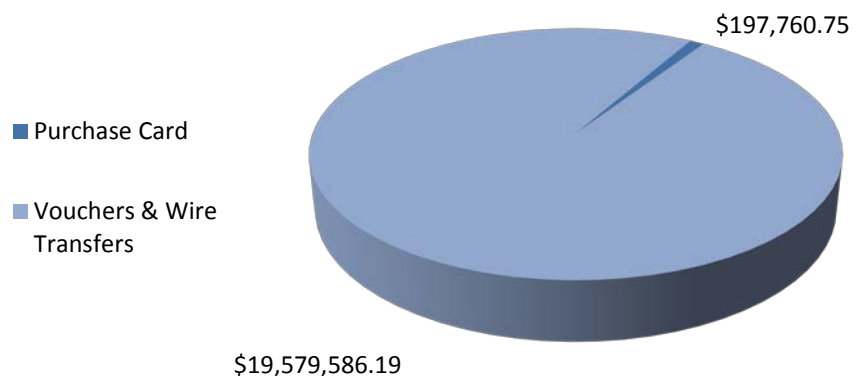
Based on our audit, we have determined the Oklahoma Corporation Commission has *significantly* complied with the following audit objectives:

- Determine if the Agency has implemented internal controls and if the Agency's controls are operating effectively in relation to the purchase card program, and
- Determine if the Agency's purchase card program is in compliance with Oklahoma State Purchase Card Procedures and approved internal purchasing procedures as they relate to the acquisition process through the use of purchase cards.

AUDIT OVERVIEW

At the time of the audit, the Agency had four purchase card cardholders and two approving officials in the Agency. In total, the Agency had 888 purchase card transactions during the audit period. The Agency's purchase card program only accounts for a very small fraction of the overall expenditures of the Agency. Furthermore, the overall risk associated with the Agency's Purchase Card Program is low. The following chart depicts the expenditures by purchase card and voucher or wire transfer made by the Agency during the audit period.

Expenditures



In addition to the low amount of overall expenditures made through the Agency's purchase card program, the Agency primarily used their purchase cards to make low dollar amount purchases. This contributed to the low risk nature of the audit. The following chart depicts the dollar amounts of the purchases card transactions for the audit period.

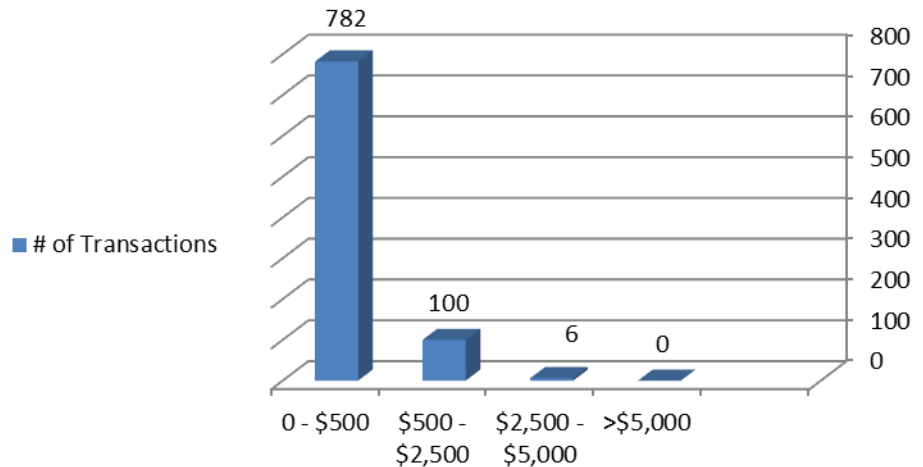


OKLAHOMA CORPORATION COMMISSION PURCHASE CARD AUDIT JULY 1, 2012 to JULY 1, 2013

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of Transactions



Acknowledgements

The Agency has put in place mitigating controls at each level of the purchase card process. These controls provide built-in audit processes that we believe will continue to provide for the efficient use of the Purchase Card program. The employees involved with the Agency's Purchase Card program conduct themselves in a professional manner that promotes the responsible and effective use of the Purchase Card. We commend the Agency for the effective organization and administration of the purchase card program.

Sampling Methodology

The 888 transactions that made up our population for substantive testwork totaled \$197,760.75. We used the classical variable sampling method with a minimum confidence level of 99.5% for transactions below \$5,000, 95% for airfare transactions, and 96% for lodging transactions. The 61 transactions we randomly selected for testwork totaled \$34,966.59. In addition, we judgmentally selected 7 transactions. These transactions were tested against attributes selected through auditor judgment.

Findings and Exceptions

We had no reportable findings although some minor deficiencies were noted during the audit.

The following exceptions were noted during the audit:

- 5 transactions with receiving documents were not properly signed and dated
- 2 transactions had State sales tax included in the total
- 1 transaction did not have an itemized receipt
- 1 transaction did not comply with merchant preferences



OKLAHOMA CORPORATION COMMISSION PURCHASE CARD AUDIT JULY 1, 2012 to JULY 1, 2013

APPENDIX

METHODOLOGY

- Interviews were conducted with the Agency's staff members.
- Internal controls over the purchase card program were documented and evaluated.
- A statistical sample of transactions from cardholders was examined.
- Overall program compliance with the State of Oklahoma Purchase Card Procedures and rules promulgated thereto was evaluated.

EXECUTIVE SUMMARY

Organization

Mission Statement – To regulate and enforce the laws and supervise the activities associated with the exploration and production of oil and gas; the storage and dispensing of petroleum based fuels; the establishment of rates and services of public utilities; and the operation of intrastate transportation to best serve the economic needs of the public. In the interest of the public, the commission will oversee the conservation of natural resources; avoid waste; abate pollution of the environment; and balance the rights and needs of the people with those of the regulated entities which provide essential and desirable services for the benefit of Oklahoma and its citizens.

Agency Information

Personnel - The Agency was made up of 226 classified and 244 unclassified employees as of September 1, 2012.

Key Staff

(During the Audit Period)

Bob Anthony, Commissioner

Patrice Douglas, Commissioner

Dana Murphy, Commissioner

Lori Wrotenberg, Director of Administration

Holly George, Comptroller and Purchase Card Administrator

Director's Transmittal Letter

Carol McFarland
Director
Performance and Efficiency Division



State of Oklahoma
Office of Management and Enterprise Services

Preston L. Doerflinger
Director and Secretary
of Finance, Administration,
and Information Technology

October 23, 2013

TO LORI WROTENBERY, DIRECTOR OF ADMINISTRATION

With this letter, we transmit the report of the Oklahoma Corporation Commission's purchase card program audit for the period July 1, 2012 to July 1, 2013.

We performed the audit in accordance with professional auditing standards to ensure the Oklahoma Corporation Commission's purchase card program administered by the Office of Management and Enterprise Services is conducted in accordance with laws and regulations.

The accompanying report presents our findings and conclusions. This report is available to the public on the Office of Management and Enterprise Services' website at <http://OMES.OK.gov>.

Sincerely,

A handwritten signature in black ink, appearing to read "Preston L. Doerflinger", written over a circular stamp or seal.

Preston L. Doerflinger
Director and Secretary of Finance, Administration, and Information Technology