

STATE OF OKLAHOMA



OKLAHOMA
**Office of Management
& Enterprise Services**

Department of Environmental Quality
Purchase Card Program Audit

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AUDIT HIGHLIGHTS

Department of Environmental Quality – Purchase Card Program Audit

Why we conducted this audit

This report provides information on the Dept. of Environmental Quality’s compliance with the State Purchase Card Procedures and agency-defined purchase card procedures. We also reviewed the strength and execution of the agency’s internal controls within the purchase card program.

What we found

We have determined DEQ has significantly complied with the State Purchase Card Procedures and the agency’s internal purchase card procedures. DEQ has implemented internal controls that are operating effectively in relation to the agency’s purchase card program. We performed analytical testwork during our planning phase, completed internal control walkthroughs, and tested 79 purchases against defined compliance requirements. We reported no formal findings.

Agency accomplishments

We commend the Oklahoma Department of Environmental Quality for its internal controls and administrative processes throughout the purchase card program. The purchase card administrator has created a system of accountability to reduce risk within the program. The agency did not receive any formal findings, all program participants are diligent in their roles and adhere to the policies ensuring compliance. Additionally, the agency has an exceptionally streamlined and well-organized purchase card program with a purchase card administrator who provides quality leadership and diligently oversees the program.



AUDIT OVERVIEW

This audit was performed pursuant to 74 O.S. §85.5.E. and the State of Oklahoma Purchase Card Procedures. Our audit was to determine if DEQ’s purchase card program complied with the audit objectives during the period of Jan. 1, 2020, to Feb. 22, 2021. During the audit period, there were 11 cardholders and five approving officials with purchase card activity in the Bank of America WORKS system.

In total, DEQ processed 1,068 purchase card transactions totaling \$753,785.67 during the audit period. Categories for purchase card transactions for the agency included: purchases for airfare, under \$5,000, and Information Technology-related purchase card transactions. We used the classical variable sampling method to randomly select our sample for testing. We exercised auditor’s discretion in adjusting the confidence level and expected proportion of errors based on a risk assessment when applying the classical variable sampling technique. To ensure a sound statistical sample, a random sample of 63 standard transactions and seven transactions greater than \$5,000 were extracted for testing. In addition, nine transactions were selected for audit based upon auditor’s discretion and tested against a predetermined criterion.

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 were evaluated.

Sampling

	Transactions	Amount (\$)
Total Expenditures	1,068	\$753,785.67
Reverse Transactions	0	\$0.00
Agent Fees	33	\$4,494.30
Negative Transactions	67	\$21,277.78
Filtered Population	968	\$770,569.15
Subpopulations:		
IT	254	\$351,447.89
Airfare	39	\$14,790.07
Lodging	83	\$20,495.85
Over \$5,000	7	\$75,554.79
Under \$5,000	585	\$308,280.55
Total	968	\$770,569.15

	Transactions	Amount (\$)
Samples:		
IT	21	\$174,464.27
Lodging	13	\$4,964.59
Over \$5,000	7	\$75,554.79
Under \$5,000	29	\$32,578.45
Auditor's Discretion	9	\$8,231.71
Total	79	\$295,793.81

EXECUTIVE SUMMARY

Department of Environmental Quality

Mission statement: To protect and improve public health and our environment.

Vision: To lead the nation in fostering a healthy and sustainable future through effective and innovative environmental actions.

History and overview: DEQ became an independent agency July 1, 1993, by the authority of the Environmental Quality Act, of which goals were to improve environmental protection by eliminating redundancies, improve responses to citizen complaints and better define areas of environmental jurisdiction. Through the legislation, several environmental functions across various state agencies were integrated into a single Department of Environmental Quality.

The act also identified six broad programs for which DEQ would be responsible. Through these programs, DEQ has been the lead state agency working to meet the goal of protecting Oklahoma citizens and our environment.

DEQ is composed of the office of the Executive Director and six divisions. The Office of the Executive Director includes the Office of the General Counsel, Criminal Investigations, and the Office of External Affairs. The six divisions are Administrative Services, Air Quality, Environmental Complaints and Local Services, Land Protection, State Environmental Laboratory Services, and Water Quality. Each division is further divided into functional sections and units.

Agency information

The agency is made up of 423 classified and 81 unclassified employees according to the [Oklahoma Agencies, Boards, and Commissions book](#) as of Sept. 1, 2020.

Board members

Tracy Hammon, Chair
Mike Paque, Vice-Chair
Alexandria Kindrick, Member
Billy G. Simms, Member
David Griesel, Member
James Kinder, Member
John Easton, Member
Kenneth Hirshey, Jr., Member
Perry Barton, Member
Shannon Ferrell, Member
Steve Mason, Member
Tim W. Munson, Member
Jan Kunze, Member

Key staff:

Scott Thompson, Executive Director
Tammi Frederick, Procurement Specialist, Purchase Card Administrator
Stacey Tucker, Chief Procurement Officer