

STATE OF OKLAHOMA



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Office of Management
& Enterprise Services

Oklahoma Corporation Commission
Purchase Card Program Audit

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AUDIT HIGHLIGHTS

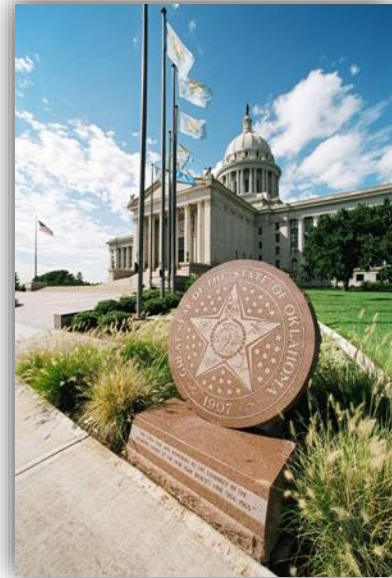
Oklahoma Corporation Commission – Purchase Card Program Audit

Why we conducted this audit

This report provides information on OCC's compliance with the State of Oklahoma 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 OCC has significantly complied with the state P-card procedures and the agency's internal P-card procedures. They 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 121 purchases against defined compliance requirements. We reported no formal findings.



Agency accomplishments

We commend OCC for its thorough administrative processes throughout the purchase card program. The purchasing leadership has created a system of accountability to reduce risk within the program by having an in-depth knowledge of the state P-card procedures. 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 OCC's P-card program complied with the audit objectives during the period of Jan. 1, 2020, to March 23, 2021. As of Jan. 28, 2021, there were 15 purchase cardholders and five approving officials.

In total, OCC processed 1,472 P-card transactions totaling \$1,079,971.37 during the audit period. Categories for P-card transactions for the agency included purchases for airfare, lodging, under \$5,000, over \$5,000, and information technology. 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 110 standard transactions, 37 IT transactions, 42 lodging transactions, and 31 less than \$5,000 were tested. In addition, 11 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	1,472	\$1,079,971.37
Reverse transactions	41	\$133.07
Agent fees	23	\$575.00
Negative transactions	21	\$1,628.73
Filtered population	1,387	\$1,080,892.03
Subpopulations:		
IT	229	\$415,343.67
Airfare	26	\$8,307.92
Lodging	136	\$32,137.51
Over \$5,000	15	\$219,934.91
Under \$5,000	981	\$405,168.02
Total	1,387	\$1,080,892.03
Samples:		
IT	37	\$61,041.02
Airfare	0	\$0.00
Lodging	42	\$10,822.91
Over \$5,000	0	\$0.00
Under \$5,000	31	\$35,056.79
Auditor’s discretion	11	\$11,108.27
Total	121	\$118,028.99

EXECUTIVE SUMMARY

Oklahoma Corporation Commission

Mission statement: To empower Oklahoma by ensuring responsible development of oil and gas resources; reliable utility service at fair rates; safe and legal operation of motor carriers, pipelines, rail crossings, and fueling stations; and prevention and remediation of energy-related pollution of the environment, while balancing the rights and needs of the people with those regulated entities through development and enforcement of regulations in an open, transparent, ethical, and just manner.

History and overview: The Corporation Commission was established in 1907 by Article 9 of the Oklahoma Constitution. The first legislature gave the commission the authority to regulate what were legally defined as “public service corporations.” Initially, the commission regulated transportation and transmission companies; mostly railroad and telephone and telegraph companies. In 1908, pipelines and telephone services were placed under the authority of the commission. In 1913, regulation of heat, light, power rates, and water were added, and in 1914, oil and natural gas drilling and production became part of the commission’s jurisdiction. The commission presently regulates electric and natural gas utilities, except those under federal or municipal jurisdictions or exempt from regulation; oil and gas drilling, production and environmental protection, including seismicity; aspects of motor carrier, rail and pipeline transportation; most taxis, limousines, for-hire buses, and transportation networks (e.g. Uber); towing companies performing nonconsensual tows; cotton gins; and private water companies. The commission also has the responsibility to ensure proper operation of fuel dispensing units (i.e., gas pumps) at all retail filling stations, and the remediation of groundwater and soil pollution caused by leaking petroleum storage tanks. There are three corporation commissioners, each elected to a six-year term. The seats are statewide. There is a two-term limit. The terms are staggered so one commissioner vacancy occurs every two years. The three commissioners decide regulatory matters within the jurisdiction of the commission.

Agency information

The agency is made up of 344 classified employees and 209 unclassified employees according to the [Oklahoma Agencies, Boards and Commissions Book](#) as of Sept. 1, 2020.

Commissioners

Bob Anthony, Commissioner
Todd Hiett, Vice-Chairman
Dana Murphy, Chairman



Key staff

Tim Rhodes, Director

Holly George, Chief Financial Officer

Stacy Hudson, Regulatory Program Manager, Purchase Card Administrator

Jason Harjo, Comptroller, Backup Purchase Card Administrator