STATE OF OKLAHOMA
OFFICE OF THE STATE AUDITOR & INSPECTOR

BOARD OF EXAMINERS IN OPTOMETRY
JULY 1, 2003 THROUGH JUNE 30, 2004

JEFF A. McMAHAN, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR
Board of Examiners in Optometry
Statutory Examination Report
For the Period July 1, 2003 to June 30, 2004
April 26, 2005

TO THE BOARD OF DIRECTORS OF THE BOARD OF EXAMINERS IN OPTOMETRY

Transmitted herewith is the Statutory Examination Report for The Board of Examiners in Optometry. The procedures we performed were conducted pursuant to 74 O.S. § 212.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and by issuing reports that serve as a management tool to the State. Our goal is to ensure a government that is accountable to the people of the State of Oklahoma.

We wish to take this opportunity to express our appreciation to the agency’s staff for the assistance and cooperation extended to our office during the course of our engagement.

Sincerely,

JEFF A. McMAHAN
State Auditor and Inspector
Table of Contents

Background, Board Members and Key Staff.............................................................. ii
Report of the State Auditor and Inspector.................................................................1
Statement of Receipts, Disbursements and Changes in Cash....................................2
Findings/Recommendations .......................................................................................3
Other Information.......................................................................................................4
Background

The mission of the Oklahoma Board of Optometry is to protect the public by regulating the practice of Optometry in the state of Oklahoma through education and licensing, and to insure that optometrists practice within the provision of the law.

Board Members

DAVID COCKRELL, O.D. .......................................................... PRESIDENT
STEVE SMITH, O.D. ............................................................... VICE-PRESIDENT
GARY FORD, O.D. ................................................................. MEMBER
ROBERT EDWARD JONES .................................................... MEMBER

Key Staff

RUSSELL LAVERTY, O.D. ...................................................... SECRETARY-TREASURER
MARY WALKER ................................................................. BOARD SECRETARY
TO THE BOARD OF DIRECTORS OF THE BOARD OF EXAMINERS IN OPTOMETRY

For the purpose of complying with 74 O.S. § 212, we have performed the following procedures for the fiscal year 2004:

1. We reviewed internal controls over cash, revenues and expenditures.

2. We tested a sample of deposits to determine they were properly posted to the financial records and had adequate supporting documentation.

3. We tested a sample of disbursements to determine they were properly posted to the financial records and had adequate supporting documentation.

4. We performed analytical procedures to test the reasonableness of payroll disbursements;

We also prepared a Schedule of Receipts, Disbursements and Changes in Cash from information obtained from the statewide CORE accounting system. This schedule has been included for informational purposes only.

Our procedures were limited to those defined above and were less in scope than would be necessary to express an opinion on any of the items referred to above or to express an opinion on the effectiveness of The Oklahoma Board of Optometry’s internal control or any part thereof. Accordingly, we do not express such opinions. Alternatively, we have identified the procedures we performed and the findings resulting from those procedures.

Sincerely,

JEFF A. McMAHAN
State Auditor and Inspector

April 22, 2005
BOARD OF EXAMINERS IN OPTOMETRY

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
FOR THE YEAR ENDED JUNE 30, 2004

RECEIPTS:

<table>
<thead>
<tr>
<th>Permit Issuance - Licenses &amp; Fees</th>
<th>97,830</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Receipts</td>
<td>97,830</td>
</tr>
</tbody>
</table>

DISBURSEMENTS:

<table>
<thead>
<tr>
<th>Personnel Services</th>
<th>50,180</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Services</td>
<td>16,691</td>
</tr>
<tr>
<td>Travel</td>
<td>10,321</td>
</tr>
<tr>
<td>Office Furniture &amp; Equipment</td>
<td>6,587</td>
</tr>
<tr>
<td>Misc. Admin. Expenses</td>
<td>5,948</td>
</tr>
<tr>
<td>Rent Expense</td>
<td>3,500</td>
</tr>
<tr>
<td>General Operating Expenses</td>
<td>3,251</td>
</tr>
<tr>
<td>Incr/Intra Agency Pmts - Admin</td>
<td>254</td>
</tr>
<tr>
<td>Maintenance and Repair Expenses</td>
<td>176</td>
</tr>
<tr>
<td>Total Disbursements</td>
<td>96,908</td>
</tr>
</tbody>
</table>

RECEIPTS OVER (UNDER) DISBURSEMENTS: 922

CASH - Beginning of year: 83,266

CASH - End of year: 84,188
Findings/Recommendations

Finding

During review of internal controls over cash receipts, the agency indicated that receipts of less than one hundred dollars are held until accumulated receipts equal one hundred dollars. Additionally, during our review of cash receipts for twenty days, we noted the agency had one receipt for $10.00 that was not deposited for three weeks. This receipt was stored in a locked safe during this time period. However, according to 62 O.S. 2001 § 7.1c2, “Receipts of less than One Hundred Dollars ($100.00) may be held until accumulated receipts equal One Hundred Dollars ($100.00) or for five (5) business days, whichever occurs first, and shall then be deposited no later than the next business day.” Therefore, we recommend the agency implement procedures to ensure compliance with 62 O.S. 2001 § 7.1c2.

Contact Person: Mary Walker
Management's Response
Effectively immediately the Board of Examiners in Optometry will comply with 62 O.S. 2001 7.1c2 and make all deposits, however small, within five (5) business days.
Other Information

Clearing Account

The Board of Examiners in Optometry maintains a clearing account to deposit revenues collected on a daily basis. All items deposited into the clearing account are held there until such items have been honored by the paying entity. Once these items have been honored, the revenues are transferred for deposit into the agency’s operating fund(s). The agency’s clearing account had a cash balance of $100,650.00 at June 30, 2004. As of this date, this amount had not yet been deposited into the agency’s operating fund(s) and is not considered to be available to fund the agency’s general operations. As a result, the clearing account’s cash balance, revenues, and disbursements are not included in the accompanying Schedule of Receipts, Disbursements, and Changes in Cash Balance.

Payments to the State General Revenue Fund

In accordance with state statute OS 59 § 601, the Board of Examiners in Optometry shall remit 10% of all license and fee revenues received to the State of Oklahoma General Revenue Fund. During fiscal year 2004, the agency submitted $10,870.03 to the State’s General Revenue Fund. As previously discussed, the agency maintains a clearing account in which all items are deposited. When the required transfer of monies is made to the State’s General Revenue Fund, it is made directly from the board’s clearing account. As a result, these transfers are not included in the accompanying Schedule of Receipts, Disbursements, and Changes in Cash.