MOTOR VEHICLE COMMISSION
JULY 1, 2003 THROUGH JUNE 30, 2004

JEFF A. McMahan, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR
Motor Vehicle Commission
Statutory Examination Report
For the Period July 1, 2003 to June 30, 2004
September 15, 2005

TO THE BOARD OF COMMISSIONERS OF THE MOTOR VEHICLE COMMISSION

Transmitted herewith is the Statutory Examination Report for the Motor Vehicle Commission. 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
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Background

The mission of the Oklahoma Motor Vehicle Commission is to prevent frauds, impositions, and other abuses upon Oklahoma citizens; to preserve the franchise system of motor vehicle distribution; to prevent undue control of independent new motor vehicle dealers by the manufacturers or distributors; and to prevent false and misleading advertising and unfair trade practices by dealers, manufacturers, distributors, and salespersons of new motor vehicles.

Board of Commissioners

DAVID OAKLEY .......................................................... CHAIRMAN
TERRY REYNOLDS ................................................. VICE CHAIRMAN
BOB HOWARD .......................................................... SECRETARY
MARION DAVIDSON ................................................ MEMBER
DAN MULLINS ........................................................... MEMBER
DON THORNTON .................................................... MEMBER
P. MARK MOORE ................................................... MEMBER
EUGENE CHUMBLEY ................................................ MEMBER
CHARLOTTE BRITTON ............................................ MEMBER

Key Staff

ROY K. DOCKUM .................................................... EXECUTIVE DIRECTOR
MARILYN MAXWELL ................................................ DEPUTY DIRECTOR
TO THE BOARD OF COMMISSIONERS OF THE MOTOR VEHICLE COMMISSION

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, receipts and disbursements.

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 Motor Vehicle Commission's internal control or any part thereof. Accordingly, we do not express such opinions. Alternatively, we have identified the procedures we performed. There were no findings resulting from these procedures.

Sincerely,

JEFF A. McMAHAN
State Auditor and Inspector

September 15, 2005
MOTOR VEHICLE COMMISSION

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

RECEIPTS:
License Fee 271,259

Total Receipts 271,259

DISBURSEMENTS:
Salary Expense 142,697
Ins. Prem-Hlth Life, etc. 18,762
FICA-Retirement Contributions 25,574
Professional Services 25,978
Inter/Intra Agency Pmt-Prof-Se 596
Travel-Reimbursement 17,213
Travel-Agency Direct Pmts 369
Misc. Administrative Expenses 14,899
Rent Expense 14,117
Maintenance & Repair Expense 946
Specialized Sup & Mat. Expense 13
General Operating Expenses 2,544
Office Furniture & Equipment 28,532
Loans, Taxes, Other Disbursements 1

Total Disbursements 292,241

RECEIPTS OVER (UNDER) DISBURSEMENTS -20,982

CASH - Beginning of year 613,071

CASH - End of year 592,089
Other Information

Clearing Account

The Oklahoma Motor Vehicle Commission 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 $175,270 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 62 § 211, the Oklahoma Motor Vehicle Commission 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 $30,140 to the State’s General Revenue Fund. As previously discussed, the agency maintains a clearing account in which receipts are deposited. When the required deposit of monies is made to the State’s General Revenue Fund, it is made directly from the agency’s clearing account. As a result, these receipts and disbursements are not included in the accompanying Schedule of Receipts, Disbursements, and Changes in Cash.