J.M. DAVIS MEMORIAL COMMISSION
INTERNAL CONTROL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2003
July 13, 2004

TO THE HONORABLE BRAD HENRY
GOVERNOR OF THE STATE OF OKLAHOMA

Transmitted herewith is the J.M. Davis Memorial Commission Internal Control Report for the fiscal year ended June 30, 2003. By its nature, this report focuses on weaknesses in controls. This focus should not be understood to mean there are not also various strengths and accomplishments.

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

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

Sincerely,

JEFF A. McMAHAN
State Auditor and Inspector
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## COMMISSION MEMBERS

<table>
<thead>
<tr>
<th>Name</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. James Marr</td>
<td>August 1, 2005</td>
</tr>
<tr>
<td>Fred H. Miller</td>
<td>August 1, 2005</td>
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<tr>
<td>Bob Brown</td>
<td>August 1, 2005</td>
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<tr>
<td>Christopher R. Ford</td>
<td>August 1, 2005</td>
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<tr>
<td>Chris Sutherland</td>
<td>August 1, 2005</td>
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<tr>
<td>Executive Director</td>
<td>09-04-01 to current</td>
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<tr>
<td>Curator II</td>
<td>06-01-93 to 06-30-03</td>
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<tr>
<td>Maintenance Repair Tech III</td>
<td>12-11-89 to current</td>
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<td>Account Clerk III</td>
<td>03-01-00 to current</td>
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<tr>
<td>Gift Shop Coordinator</td>
<td>07-01-02 to current</td>
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<tr>
<td>Account Clerk I</td>
<td>07-05-01 to current</td>
</tr>
<tr>
<td>Custodial Worker II</td>
<td>05-01-00 to 6-30-03</td>
</tr>
</tbody>
</table>
TO THE J.M. DAVIS MEMORIAL COMMISSION

We have inquired of Commission personnel and observed documentation regarding the following processes for the period July 1, 2002 through June 30, 2003:

1. Cash/Revenue  
2. Capital Assets  
3. Expenditures, including payroll  
4. Purchasing  
5. Consumable Inventory

The purpose of these procedures was to identify the internal controls designed or developed by the J.M. Davis Memorial Commission, and to determine whether stated controls were operating as represented to us or if additional controls were necessary to reduce the risk of errors and irregularities.

Our procedures were more limited 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 Commission'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. Had we performed additional procedures or had we made an audit of the effectiveness of the Commission’s internal control, other matters might have come to our attention that would have been reported to you.

Our finding resulting from the above procedures are included in the attached comments and recommendations section of this report.

Sincerely,

JEFF A. McMAHAN  
State Auditor and Inspector

July 13, 2004
COMMENTS AND RECOMMENDATIONS
Comment 2003-204-001

Criteria: According Central Purchasing Rule 580:15-6-5-1A:

Mandatory statewide contract. The State Purchasing Director may designate a statewide contract for mandatory use. State agencies shall make acquisitions from mandatory statewide contracts regardless of the acquisition purchase price. A state agency may submit a written request to the State Purchasing Director to waive requirements for a state agency’s use of a mandatory statewide contract for acquisitions. The State Purchasing Director shall grant exceptions prior to a state agency making the acquisition from another supplier.

Condition: The Commission is purchasing fuel for its vehicle using two separate credit cards. Neither card is under state contract, nor has the Commission submitted a written request for this requirement to be waived.

The state is currently contracting with “Fuelman” for its motor fuel purchases.

Effect: The Commission may not be in compliance with the Oklahoma Constitution Article 10§15A or the Central Purchasing Rule 580:15-6-5-1A.

Recommendation: We recommend the Commission obtain a credit card under state contract or submit a written request for this requirement to be waived.

Management’s Corrective Action Plan

Contact Person: Duane Kyler

Anticipated Completion Date: July 1, 2004

Corrective Action Planned: The J.M. Davis memorial Commission will obtain a “Fuelman” Card.