

**OKLAHOMA ENERGY RESOURCES BOARD
REPORT ON APPLYING
AGREED-UPON PROCEDURES
OKLAHOMA INDEPENDENT PETROLEUM FOUNDATION CONTRACT
FOR THE PERIOD JULY 1, 2003
THROUGH JUNE 30, 2004**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

May 2, 2005

TO THE OKLAHOMA ENERGY RESOURCES BOARD

Transmitted herewith is the agreed-upon procedures report on compliance with terms of the contract between the Oklahoma Energy Resources Board and the Oklahoma Independent Petroleum Foundation for the period July 1, 2003, through June 30, 2004. The procedures we performed were at the request of the Executive Director and the Board of Directors of the Agency.

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 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,

A handwritten signature in cursive script that reads "Jeff A. McMahon".

JEFF A. McMAHAN
State Auditor and Inspector



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

**INDEPENDENT AUDITOR'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

**MIKE TERRY, EXECUTIVE DIRECTOR
OKLAHOMA ENERGY RESOURCES BOARD**

We have performed the procedures enumerated below, which were agreed to by management of the Oklahoma Energy Resources Board (OERB), solely to assist OERB in evaluating the Oklahoma Independent Petroleum Foundation's (OIPF) invoices for compliance with the terms of their contract with OERB for the period of July 1, 2003, through June 30, 2004. Management is responsible for determining OIPF's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed were as follows:

We judgmentally selected 15 claims submitted to the Board from OIPF and performed the following:

- We inspected the invoices to determine whether the claims were supported by documentation.
- We compared the invoices with costs allowable under the provisions set forth in the contract.

There were no findings noted as a result of applying the procedures.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance with the terms of the contract. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The American Institute of Certified Public Accountants' Statement on Auditing Standards No. 87 requires the inclusion of the following paragraph in this report:

This report is intended solely for the information and use of management of the Oklahoma Energy Resources Board and is not intended to be and should not be used by anyone other than these specified parties.

However, the Oklahoma Open Records Act states that all records of public bodies and public officials shall be open to any person, except as specifically exempted. The purpose of this Act is to ensure and facilitate the public's right of access to and review of government records so they may efficiently and intelligently exercise their inherent political power. Therefore, this report is a matter of public record and its distribution is in no way limited or restricted.

Sincerely,

JEFF A. McMAHAN
State Auditor and Inspector

April 21, 2005