

OKLAHOMA ENERGY RESOURCES BOARD

FOR THE PERIOD JULY 1, 2007
THROUGH JUNE 30, 2008

AGREED-UPON PROCEDURES REPORT



Oklahoma State Auditor
& Inspector

Oklahoma Energy Resources Board

Agreed-upon Procedures Report

For the Period

July 1, 2007 – June 30, 2008

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

March 2, 2009

TO THE OKLAHOMA ENERGY RESOURCES BOARD

Transmitted herewith is the agreed-upon procedures report for the Oklahoma Energy Resources Board. 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. 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,

A handwritten signature in blue ink, reading "Steve Burrage", is positioned above the printed name.

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

Mission Statement

The mission of OERB is to educate Oklahomans about the importance of petroleum (oil and gas) in their lives through traditional and non-traditional school curriculum, advertising, and public relations. In addition, it is OERB's mission to environmentally restore abandoned well sites to productive land use; to promote environmentally sound production methods and technologies; and to research and provide educational activities concerning the petroleum exploration and production industry.

Board Members

Dewey F. Bartlett, Jr.	Chairman
David W. House.	Vice-Chairman
Julie S. Kruger	Secretary
Sue Ann Hamm	Treasurer
Terry J. Adamson	Member
Mark Aebi.....	Member
Steven C. Agee	Member
Andrew Armpriester	Member
Lee Boothby	Member
Pete Brown	Member
Mike Cross.....	Member
Brian Engel.....	Member
Bill Gifford	Member
Tom Goreson	Member
Suzette Hatfield	Member
Ronnie Irani	Member
Jim Medico	Member
Steve Slawson.....	Member
Vaughn Vennerberg, II.....	Member

Key Staff

Mindy Stitt.....	Executive Director
Diana Mathis	Controller
Cheryl Standage.....	Assessment Auditor

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by management of the Oklahoma Energy Resources Board (the Board), solely to assist you in evaluating your compliance with 52 O.S. §288, 74 O.S. §85.39, and Title 243 of the Oklahoma Administrative Code for the period of July 1, 2007 to June 30, 2008. This agreed-upon procedures engagement was conducted in accordance with 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.

1. We calculated the amount deposited into Fund 200 (Energy Resources Revolving Fund) under revenue code 424262 (energy resources assessment) for three months and compared to the Board's supporting documentation and calculations for agreement.

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

2. We randomly selected three months of reconciliations between the Board and the Office of State Finance (OSF) and inspected for:
 - Segregation of duties between preparer and reviewer;
 - Reconciliations were prepared within 45 days after month-end;
 - Reconciling items can be traced to subsequent reconciliations.

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

3. We reviewed Board meeting minutes to determine whether the Fiscal Year 2008 budget was approved by the Board.

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

4. We obtained the Board's internal listing of any grants, contributions, or gifts and agreed the total receipts to the deposits per the CORE deposit report for revenue account codes 456101, 456102, and 455201.

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

5. We randomly selected 20 vouchers and inspected for:
 - The expenditure was approved by the Executive Director;
 - The expenditure was recorded with the correct amount, payee/vendor, and date when agreeing it to the vendor's invoice;
 - The nature of the expenditure (and the vendor to whom it was paid) was consistent with Board's mission;
 - The expenditure was not to compensate Board members, with the exception of travel reimbursement.

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

6. We randomly selected 5 assessment refunds (expenditure account code 553190) paid to persons subject to the assessment levied by 52 O.S. § 288.8A (A) and compared for consistency with State law and Board policy.

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

7. We obtained the Oklahoma Tax Commission apportionment journal for the energy resources assessment for each month of the engagement and calculated the total collected. We compared to the total deposited into Fund 200 to determine whether the total deposited was \$2,000 less than the amount collected (the Oklahoma Tax Commission should retain \$2,000 as a fee for processing the assessments).

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

8. We selected 15 contracts and compared to the following criteria:
 - An invitation to bid was sent to potential bidders (\$10,000 and under only);
 - An ad soliciting bids was placed in the newspaper (\$10,000 and over only);
 - The formal contract was approved by the executive director.

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

9. We randomly selected 15 Brothers & Company claims to assist the Board in evaluating the Brothers & Company's compliance with the terms of their contract with the Board by comparing the claims with the following criteria:
 - Charges were allowable under the provisions set forth in the contract;
 - Claims were supported by adequate documentation as set forth in the contract.

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

We were not engaged to, and did not, conduct an examination or a review, the objective of which would be the expression of an opinion or limited assurance on the cash, receipts, and disbursements for the agency. Accordingly, we do not express such an opinion or limited assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of the Board and should not be used for any other purpose. This report is also a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.), and shall be open to any person for inspection and copying.



STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

February 26, 2009



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