

OKLAHOMA WHEAT RESEARCH FOUNDATION

FOR THE PERIOD
JULY 1, 2007 THROUGH
JUNE 30, 2009

OPERATIONAL AUDIT



Oklahoma State Auditor
& Inspector

**Audit Report of the
Oklahoma Wheat Research Foundation**

**For the Period
July 1, 2007 through June 30, 2009**

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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February 8, 2010

TO THE OKLAHOMA WHEAT RESEARCH FOUNDATION

This is the audit report of the Oklahoma Wheat Research Foundation for the period July 1, 2007 through June 30, 2009. 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 that reads "Steve Burrage".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

**Oklahoma Wheat Research Foundation
Operational Audit**

Background

The Oklahoma Wheat Research Foundation (the Foundation) is a nonprofit organization that receives a portion of the amount levied and collected on wheat sales by the Oklahoma Wheat Utilization, Research, and Market Development Commission (the Wheat Commission). The Foundation expends these funds to promote education and research in wheat agriculture, primarily through grants to Oklahoma State University.

Oversight is provided by eight board members, each appointed by one of the following organizations: American Farmers and Ranchers, the Oklahoma Farm Bureau, the Grain and Feed Association, an Oklahoma flour mill, the Oklahoma State Grange, the Oklahoma Wheat Commission, the Wheat Growers Association, and the Oklahoma Crop Improvement Association. An appointee from the Wheat Commission is required by state statute in order for the Foundation to receive funding from the Wheat Commission.

The board members are:

Terry Detrick President
 Keith Kisling..... Vice-President
 Joe Neal Hampton..... Secretary-Treasurer
 Terry Heffel Member
 Kent McAninch Member
 Don Schieber Member
 Joe Caughlin Member
 Brook Strader Member

Table 1 summarizes the organization’s sources and uses of funds for fiscal years 2008 and 2009 (July 1, 2007 through June 30, 2009).

Table 1 - Sources and Uses of Funds for SFY 2008 and SFY 2009

	2008	2009
Sources:		
Oklahoma Wheat Commission	\$477,684	\$288,840
Interest Income	7,198	2,763
Total Sources	\$484,882	\$291,603
Uses:		
Grants	\$535,000 ¹	\$260,000
Awards and Trips	16,650	16,839
Advisory Fees	5,000	5,000
Insurance	1,000	1,000
Accounting	675	725
Office supplies/Miscellaneous	105	100
Total Uses	\$558,430	\$283,664

Source: Independent accountant's review reports for fiscal years 2008 and 2009.

¹ \$16,000 in scholarship awards given to the 4-H club and the FFA (\$8,000 per organization) in each fiscal year were listed as “Grants” in the FY 2008 Independent accountant’s review report and as “Awards and Trips” in the FY 2009 report. The \$16,000 total is listed as “Awards and Trips” in both years here for comparison purposes.

Oklahoma Wheat Research Foundation
Operational Audit

Purpose & Scope

This audit was conducted in response to 2 O.S. § 18-314.B, which requires the State Auditor and Inspector's Office to audit the books, records and accounts of the Foundation in respect to the funds allocated to it by the Wheat Commission under the provisions of the Oklahoma Wheat Resources Act.

The audit period covered was July 1, 2007 through June 30, 2009.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This report is 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.

Objective 1 – Determine whether the Oklahoma Wheat Research Foundation expended the funds received from the Oklahoma Wheat Utilization, Research, and Market Development Commission in accordance with 2 O.S. § 18-308.B.

Conclusion

The Foundation expended the funds received from the Wheat Commission in accordance with 2 O.S. § 18-308.B.

Methodology

To accomplish our objective, we performed the following:

- Documented the process used by the Foundation to pay wheat research expenditures;
- Verified that recorded receipts from the Wheat Commission agreed to state accounting records for that agency;
- Verified that detailed expenditure records tied to the independent accountant's review reports prepared for the Foundation for the audit period;
- Verified that a member of the Wheat Commission was sitting on the Foundation board during the audit period as required by 2 O.S. § 18-308.C; and
- Reviewed 100% of expenditures made with Wheat Commission funds during the audit period to verify that they were for wheat research and related costs in accordance with 2 O.S. § 18-308.B.



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