

## *Oklahoma Corporation Commission*

### EXECUTIVE SUMMARY

#### Objective

The objective of this audit was to determine if the Oklahoma Corporation Commission information systems can provide the necessary financial information in order to perform independent reconciliations between services provided, revenue received, and revenue deposited to ensure that the reporting internal control system is operating effectively. Read the full audit report at <https://www.sai.ok.gov>.

#### Engagement Background

This audit was conducted at the request of the Commissioners of the Oklahoma Corporation Commission (OCC), pursuant to 74 O.S. § 213.2(B). We focused on the information systems used throughout the agency and their ability to generate independent reports to be used during the reconciliation process:

- Oil and gas drilling and production (Oil and Gas Conservation Division or OGCD)
- Motor carrier, rail, and pipeline transportation (Transportation Division)
- Petroleum storage tanks (Petroleum Storage Tank Division - PSTD)
- Public utilities and telecommunications (Public Utilities Division - PUD)
- Administrative, Judicial, and Legislative Services (AJLS)

#### What We Found

- **The Agency's Reconciling Process Does Not Include Independent Records - Information Systems Do Not Contain Adequate Information**

Not all divisions are utilizing respective information systems to perform reconciliations of services provided and associated receipts to Finance deposit records. Either a process is not in place or the information system does not contain adequate information. The Commission cannot be assured that all funds collected are deposited.

- **No Systematic Review of the Case Management System (CASE)**

All agency financial data related to revenue is maintained in the Agency's Case Management System (CASE). Financial information is extracted from CASE on a daily basis and is used in the reconciliation process to ensure receipts posted are deposited. No systematic review and

evaluation of the accuracy and reliability of calculations and data creates the risk that system data may be inaccurate.

- **Agency Policies and Procedures Lack Significant Accounting Detail**

OCC currently has no written procedures in place incorporating the expectation that each division independently reconcile services provided to revenue received and revenue deposited. Formalizing this requirement in Agency procedures will assist in providing assurance that all payments posted in the Agency's multiple databases are deposited.

## What We Recommend

We recommend management make a concerted and prompt effort to develop policies and procedures that clearly and concisely detail the following:

- 1) the designation of qualified staff in each division who will generate an independent financial report and perform a reconciliation with Finance to ensure the Agency is collecting and depositing all funds that are due.
- 2) a requirement to ensure systematic and routine reviews are performed by an IT professional to evaluate the accuracy of the data maintained in CASE.
- 3) each division's responsibility to compare a monthly financial activity report to all services provided, revenue received, and deposits posted.