



Report Highlights

Department of Natural Resources

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Audit Control # 80140087
Financial Audit Services • December 2014

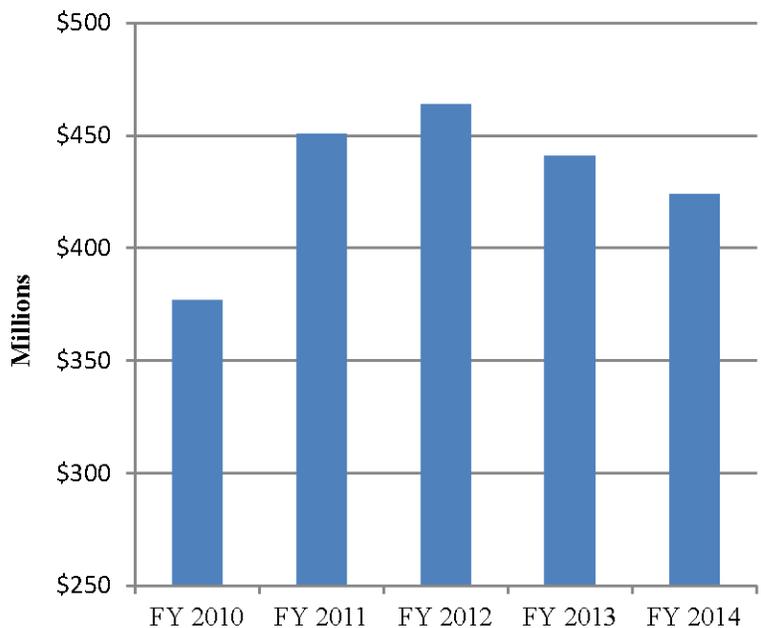
Why We Conducted This Audit

We performed certain procedures at the Department of Natural Resources to evaluate its accountability over public funds and compliance with state law for the period July 1, 2013 through June 30, 2014.

What We Found

- We reviewed Information Technology (IT) controls and identified processes and applications used by the department to transmit, process, maintain, and access transactions and data electronically. Based on our procedures, DNR’s key IT controls relating to the processes and applications reviewed were adequately designed, properly implemented, and were operating with sufficient effectiveness during the fiscal year.
- We prepared an analysis of royalty revenues over the last five years. Fluctuations in royalty revenues are primarily attributed to changes in oil and gas prices and production levels, as well as natural disaster occurrences, such as hurricanes and oil spills. In fiscal year 2012, the average price per barrel of crude oil received by oil companies peaked to \$114 per barrel and has declined to \$104 in fiscal year 2014.

Royalty Revenues by Fiscal Year (FY)



Source: FY 2010-2014 DNR Annual Fiscal Reports, as adjusted