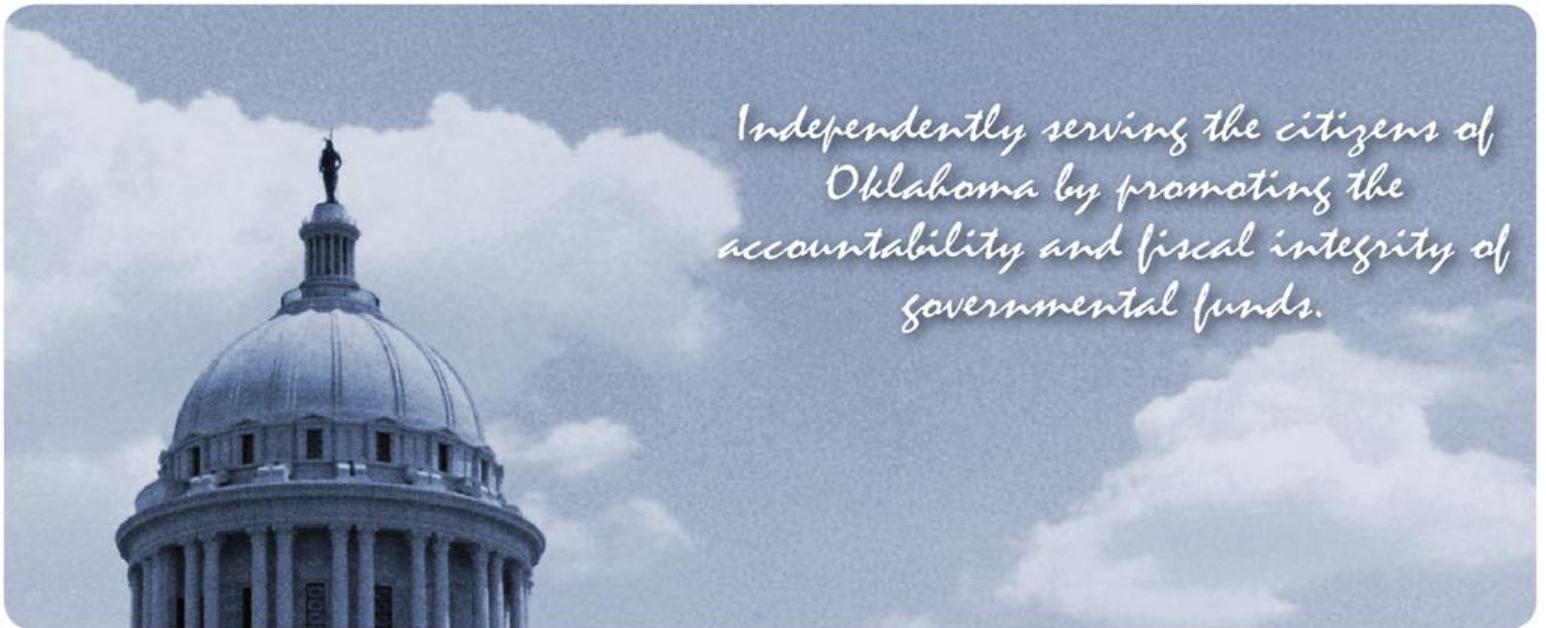


STATUTORY REPORT

**DISTRICT ATTORNEY
DISTRICT 21
BOGUS CHECK RESTITUTION PROGRAM
SUPERVISION PROGRAM
RESTITUTION AND DIVERSION PROGRAM
PROPERTY FORFEITURE PROGRAM**

For the year ended July 1, 2010 through June 30, 2014



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

**GREG MASHBURN, DISTRICT ATTORNEY
DISTRICT 21**

**STATUTORY REPORT
BOGUS CHECK RESTITUTION PROGRAM
SUPERVISION PROGRAM
RESTITUTION AND DIVERSION PROGRAM
PROPERTY FORFEITURE PROGRAM**

**FOR THE YEAR ENDED
JULY 1, 2010 THROUGH JUNE 30, 2014**

This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 74 O.S. § 212.E and 22 O.S. §§ 114, 991d, 991f-1.1, and 63 O.S. § 2-506 has not been printed, but is available on the agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to 74 O.S. § 3105.B.



Oklahoma State Auditor & Inspector

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February 12, 2015

Greg Mashburn, District Attorney
District 21
Cleveland County Courthouse
Norman, Oklahoma 73069

Transmitted herewith is the statutory report for the District Attorney of District 21, Cleveland, Garvin, and McClain Counties, Oklahoma (the District) for the period July 1, 2010 through June 30, 2014.

A report of this type is critical in nature; however, we do not intend to imply that there were not commendable features in the present accounting and operating procedures of the District.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during our engagement.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

**GREG MASHBURN, DISTRICT ATTORNEY
DISTRICT 21
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2010 THROUGH JUNE 30, 2014**

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**GREG MASHBURN, DISTRICT ATTORNEY
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FOR THE PERIOD JULY 1, 2010 THROUGH JUNE 30, 2014**

INTRODUCTORY INFORMATION

BOGUS CHECK PROGRAM

The bogus check program was created by the Oklahoma Legislature in 1982 as a special type of deferred prosecution program and every district attorney is required to operate a bogus check program. The program provides an alternative way to handle bogus check cases without any additional cost to courts, prosecutors, or the state prison system. The primary emphasis of the program is collecting restitution for the victim of the crime, rather than punishing the offender.

Bogus checks are a significant cost to business, a cost that is passed on to the consumer and paid by all citizens and taxpayers in the state. The bogus check program has been an effective way to address the economic problem caused by bogus checks. The program offers a way to address criminal conduct without sending a large number of offenders to state correctional facilities.

RESTITUTION AND DIVERSION PROGRAM

The restitution and diversion program was created by the Oklahoma Legislature in 2001 as a special type of deferred prosecution program. The legislation required that each district attorney create such a program. The purpose of the program is to allow the district attorney the discretion to divert criminal complaints involving property crimes from criminal court and to collect restitution for victims.

The program allows the district attorney's office to receive, disburse, and monitor victim restitution payments. The program offers an alternative way to address criminal conduct.

DISTRICT ATTORNEY SUPERVISION PROGRAM

The district attorney supervision program was created by the Oklahoma Legislature in 2005 as an alternative from supervision by the Department of Corrections. When the court imposes a deferred or a suspended sentence for any offense and does not order supervision by the Department of Corrections, the offender shall be required to pay the district attorney a monthly supervision fee. However, the legislation provides that in hardship cases, the district attorney shall expressly waive all or part of the fee.

DISTRICT ATTORNEY PROPERTY FORFEITURE PROGRAM

Most district attorneys in the state have a Property Forfeiture Fund. The fund is not subject to fiscal year limitations and is to be used for enforcement of controlled dangerous substance laws, drug abuse prevention and education, and is maintained by the District Attorney to be used at his or her discretion for those purposes. The revenues for said fund come from the proceeds of forfeited assets.

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Any cash, vehicles, real property, or other assets used in the commission of or acquired as a result of a crime as described in the Uniform Controlled Dangerous Substances Act is presumed to be forfeitable.

Asset forfeiture is an effective law enforcement tool used by local district attorneys to deprive criminals of their ill-gotten gains by seizing the proceeds of criminal activity and property used to facilitate crime. The proceeds of seized, forfeited assets make a substantial contribution to the investigation and prosecution of drug related offenses.



Oklahoma State Auditor & Inspector

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Statutory Report

Greg Mashburn, District Attorney
District 21
Cleveland County Courthouse
Norman, Oklahoma 73069

For the purpose of complying with 74 O.S. § 212.E and 22 O.S. §§ 114, 991d, 991.f-1.1, and 63 O.S. § 2-506, we have performed the following procedures as they relate to the records of the District Attorney's programs for the period July 1, 2010 through June 30, 2014.

Bogus Check, Supervision, and Restitution and Diversion Programs:

- Determine that internal controls are designed and operating over the collections and expenditures process.
- Examine fees to determine that the correct fees are assessed, receipted, and deposited in compliance with 28 O.S. § 153, 22 O.S. §§ 114, 991d, 991f-1.1, and 19 O.S. § 215.11.
- Determine whether expenditures are used to defray the expenses of the District Attorney's office in accordance with 22 O.S. §§ 114 and 991f-1.1, and whether expenditures are supported by approved claims, invoices, and verification that goods or services paid for were received.
- Determine whether the District Attorney reconciles all accounts with the County Treasurer's ledgers.
- Determine whether the District Attorney prepares and submits an annual report to the District Attorneys Council that shows total deposits and total expenditures for the Bogus Check Restitution Program, the Supervision Program, and Restitution and Diversion Program.

Property Forfeiture Program:

- Determine that internal controls are designed and operating over the collections and expenditures process.
- Determine that the District Attorney maintains a true and accurate inventory of all property seized in accordance with 63 O.S. § 2-506.K.
- Review sale documentation for selected cases to determine whether forfeited assets were sold after due notice at public auction to the highest bidder in accordance with 63 O.S. §§ 2-506 and 2-508.
- Review the distribution of proceeds to determine the distribution was in accordance with court orders pursuant to 63 O.S. §§ 2-506.K and 2-508.
- Test expenditures to determine they are supported by approved claims, invoices, and independent verification that goods or services paid for were received.
- Determine if the District Attorney prepared and submitted an annual report to the District Attorneys Council showing the total deposits, total expenditures, beginning and ending

balances in accordance with 63 O.S. § 2-506.L.3.

- Determine if the District Attorney reconciles account balances with the County Treasurer.

All information included in the financial records of the bogus check restitution program, supervision program, restitution and diversion program, and the property forfeiture program are the representation of the District Attorney for their respective district.

Our engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with auditing standards generally accepted in the United States of America. Accordingly, we do not express an opinion on any basic financial statement of Cleveland, Garvin, or McClain Counties

Based on our procedures performed, we have presented our findings in the accompanying schedule.

This report is intended for the information and use of the District Attorney and the County Officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in blue ink, appearing to read "Gary A. Jones".

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

January 12, 2015

**GREG MASHBURN, DISTRICT ATTORNEY
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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2011 – 2014 – 1 – Annual Report Reporting Error (Repeat Finding)

Condition: While reviewing the annual reports for the Bogus Check and Restitution and Diversion programs, it was noted that collections, disbursements, and balances from the Restitution and Diversion annual report are combined on/with the Bogus Check Annual Report.

Cause of Condition: The Restitution and Diversion program is not reported in a separate account. It is deposited into the Criminal Restitution account and paid out into the Bogus Check Operating account.

Effect of Condition: This condition resulted in the Bogus Check Annual Report being overstated as it has both money from the Bogus Check Program and the Restitution and Diversion program included. Restitution and Diversion monies are not subtracted from the Bogus Check program on the annual report. The Restitution and Diversion Annual Report also does not reflect that its money has already been reported in the Bogus Check Annual Report, which would cause the same Restitution and Diversion monies being reported to the District Attorney's Council twice.

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends the District Attorney implement policies to properly separate the Bogus Check, Restitution and Diversion, and Supervision annual reports.

Management Response: We have asked the auditors for guidance on how they would like us to alleviate any future issues in regards to this finding. All parties present agreed that it would be easier for the money to be moved into a separate account. Therefore, District 21 will open a separate account for Restitution and Diversion. District 21 will issue a check from the Bogus Check Operating account and deposit the monies tracked to date into that account in one lump sum. District 21 will continue to issue a check from Bogus Check Operating and make monthly Restitution and Diversion deposits into that account.

We respectfully disagree with this finding. The monies from the Restitution and Diversion program are combined on the Bogus Check Annual Report because our computer system is set up to issue one check for all restitution payments. Furthermore, our Treasurers' office will not allow split deposits. It is important to note that all Restitution and Diversion monies are tracked and accounted for. On its face it may appear that our numbers are overstated, however, District 21 DOES submit a separate annual report for Restitution and Diversion. We have shared these separate annual reports with the auditors. Also, the District Attorney Council is aware that we submit our annual reports with combined numbers but know to deduct those numbers when submitting to the legislature so that it is accurately reported to the legislature. We believe that this is clearly not a reporting error.

Auditor Response: Restitution and Diversion funds were incorrectly included on the Bogus Check Program Annual Report. This resulted in an overstatement of collections and expenditures for the Bogus Check Program.

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Criteria: 22 O.S. § 116 states:

A. District Attorneys shall prepare and submit an annual report to the District Attorneys Council showing total deposits and total expenditures in the Bogus Check Restitution Program.

B. By September 15 of each year, the District Attorneys Council shall publish an annual report for the previous fiscal year of the Bogus Check Restitution Program. A copy of the report shall be distributed to the President Pro Tempore of the Senate and the Speaker of the Oklahoma House of Representatives and the chairmen of the House and Senate Appropriations Committees. Each District Attorney shall submit information requested by the District Attorneys Council regarding the Bogus Check Restitution Program. This report shall include the number of checks processed and the total dollar amount of such checks, the number of checks for which some restitution was made and the total amount of the restitution, the total amount of fees collected, the total cost of the program, and such other information as required by the District Attorneys Council. The report shall provide totals by county and district.

Title 22 O.S. § 991f-1.1.H:

1. District attorneys shall prepare and submit an annual report to the District Attorneys Council showing total deposits and total expenditures in the Restitution and Diversion Program.

2. By September 15 of each year, the District Attorneys Council shall publish an annual report for the previous fiscal year of the Restitution and Diversion Program. A copy of the report shall be distributed to the President Pro Tempore of the Senate and the Speaker of the House of Representatives and the chairs of the House and Senate Appropriations Committees. Each district attorney shall submit information requested by the District Attorneys Council regarding the Restitution and Diversion Program. This report shall include the number of cases processed, the total dollar amount for which restitution was made, the total amount of the restitution collected, the total amount of fees collected, the total cost of the program, and such other information as required by the District Attorneys Council.

Finding 2011 – 2014 – 2 – Bogus Check Records Retention

Condition: Upon inquiry of the District Attorney Bogus Check Division employees and physical observation of case files by the auditor, it was noted that some Bogus Check case files were missing the bogus check or a copy of the bogus check.

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Cleveland County

- For fiscal year 2011, out of the 20 cases tested, two were missing the bogus check or a copy of the bogus check.
- For fiscal year 2012, out of the 20 cases tested, two were missing the bogus check or a copy of the bogus check.
- For fiscal year 2014, out of the 20 cases tested, one was missing the bogus check or a copy of the bogus check.

Garvin County

- For fiscal year 2012, out of the 15 cases tested, one was missing the bogus check or a copy of the bogus check.

Cause of Condition: The District Attorney's office does not scan all bogus checks in case files. In some instances, the bogus check is stapled to other supporting documentation in the case files. Without a backup of the bogus checks in the case files, bogus checks can be lost as a result.

Effect of Condition: These conditions could result in the bogus check cases not having the information needed for reference or retention.

Recommendation: OSAI recommends that the District Attorney's office comply with state statute concerning the preservation of court records. Furthermore, the District Attorney's office should scan a copy of the Bogus Check for retention purposes.

Management Response: To address this issue District 21 has purchased a scanner and is in the process of scanning all bogus check and criminal files and linking them to the District 21 computer system. It is District 21's goal to have all files uploaded and electronically accessible within two years.

Criteria: Proper policies and procedures should be designed and implemented to ensure that all court records are preserved.

Finding 2011 – 2014 – 3 – Inadequate Controls Over Expenditures

Condition: Based on inquiry and observation of records, and data analysis of the District Attorney's office, the following was noted concerning the expenditures tested per program:

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Bogus Check and Restitution and Diversion Expenditures

- For fiscal year 2011, of the 40 vouchers tested, 31 did not have evidence available depicting an independent verification that the goods or services paid for were received. Additionally, one file could not be located for review.
- For fiscal year 2012, of the 40 vouchers tested, 33 did not have evidence available depicting an independent verification that the goods or services paid for were received. Additionally, one file could not be located for review.
- For fiscal year 2013, of the 40 vouchers tested, 37 did not have evidence available depicting an independent verification that the goods or services paid for were received.
- For fiscal year 2014, of the 40 vouchers tested, 33 did not have evidence available depicting an independent verification that the goods or services paid for were received. Additionally, two files did not have both approval and supporting documentation for the expenditures.

Supervision Expenditures

- For fiscal year 2013, of the 15 vouchers tested, two did not have both the approval and supporting documentation for the expenditures.
- For fiscal year 2014, of the 15 vouchers tested, one did not have both the approval and supporting documentation for the expenditure.

Property Forfeiture Expenditures

- For fiscal year 2011, of the 15 vouchers tested, one did not have both the approval and supporting documentation for the expenditure.
- For fiscal year 2012, of the 15 vouchers tested, two did not have both the approval and supporting documentation for the expenditures.
- For fiscal year 2013, of the 15 vouchers tested, two did not have both the approval and supporting documentation for the expenditures.

Cause of Condition: Vouchers were issued without supporting documentation and/or proper approval, and independent verification of goods and/or services paid were received.

Effect of Condition: Without the existence of proper oversight and monitoring, vouchers were issued without supporting documentation and/or proper approval. If proper purchasing procedures are not followed, vouchers could be issued for expenditures for purposes other than to defray the expenses of the District Attorney's office.

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Recommendation: OSAI recommends management design and implement a purchasing policy and procedure in which items and/or services are ordered and paid only after management has approved the expenditures. OSAI recommends that all claims be verified upon receipt to ensure the proper items and amounts ordered are received in accordance with the items listed on the packing slip. Lastly, OSAI recommends management ensure all supporting documentation for expenditures is maintained and readily viewable for review and audit purposes.

Management Response: We respectfully disagree with this finding. Policies and procedures have been designed and implemented. District 21 has multiple internal and external controls. Of the sample sizes tested very few items did not have the supporting signatures and documentation. These are an exception and not the vast majority. Therefore, we do not believe that there are inadequate controls.

Also, District 21 purchase orders have a signature line at the bottom that states
“I hereby certify that on the ____day of _____, 20____, I received the above
–mentioned item(s)/services and compared the item(s)/services with the invoice and request approval of
payment.”

I hereby approve the payment of said invoice Greg Mashburn, District Attorney, BY: _____

District 21 has been operating under the assumption that this was adequate given that we have had the same procedure in place for several years and not been written up for this in past audits. We presumed that this was sufficient verification of goods and services. It should also be noted that no expenditures were found to be improper or any property items missing that had been purchased.

Auditor Response: While in some cases purchase orders did contain the appropriate sign off, there is currently no control in place that verifies the items listed on the invoice are actually received. The person attesting to the accuracy of the invoice is not the person actually receiving the items. The controls in place now only verify the accuracy of the amounts between the purchase order and the invoice, not the actual goods received.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. An important aspect of internal controls is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process, affected by management and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from misappropriation.

Finding 2011 – 2014 – 4 – Inadequate Controls Over Information Technology (IT) Systems

Condition: Based on inquiry and observation in the District Attorney’s office, OSAI noted instances in which IT controls were not properly in place to ensure the integrity of the computer software systems used. The following was noted:

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- The user profiles for the software system used to track payments and billings to the Bogus Check, Criminal Restitution and Supervision Fee accounts are not designed to restrict employees from altering, deleting, or voiding transactions.
- Management is not reviewing the audit log of the system software which shows all changes made and by which user.
- Employees are not following proper policies and procedures written by the District Attorney's office in handling altering, deleting, or voiding transactions.
- When employees alter, delete, or void transactions, there is insufficient documentation detailing why the change was made.
- Users can override the system software's automatic time-out control by disabling the screen saver function on their computers.
- Users who are no longer employees are not removed from the user database.

Cause of Condition: Written job descriptions and policies and procedures have not been developed to ensure IT controls are properly designed and implemented to safeguard assets received by the District Attorney's office.

Effect of Condition: Without the existence of IT controls, instances could arise where employees are performing tasks outside of the scope of their employment, including altering, deleting, or voiding transactions.

Recommendation: OSAI recommends management assign administrative rights to the software systems used in such a manner that they are segregated between the various users depending upon their job duties and responsibilities. Furthermore, OSAI recommends policies and procedures be designed and implemented to limit the ability for employees to alter or delete transactions. This could include utilizing the built-in use roles to limit such access, or if need be, contacting the software system provider and requesting that such restrictions be created.

Management Response: We acknowledge this finding and have begun a process to limit this issue in the future. Our computer system provides some barriers to this control measure. Our computer system currently has only 3 limited settings. When you put employees on the setting that District 21 would like to put them on it then takes away certain job functions.

In order to correct this finding District 21 has adopted and implemented policies and procedures that do not allow employees to void or adjust their own prior entries. In addition to not voiding and adjusting their own entries, employees have been instructed to make adequate notes so that anyone looking at the file can discern why a void or an adjustment was made. The District 21 Finance Coordinator will run weekly audit logs to ensure that voids and adjustments are being done properly and that employees are not voiding and adjusting their own entries. This will also ensure that employees are leaving adequate documentation of why the void/adjustment occurred.

District 21 IT personnel have resolved the issue with our screen saver function.

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District 21 IT has put all discharged employees on an inactive status. District 21 cannot completely remove past employees from the computer system as they have a history in our system of posting payments and making notes, all things which need to be preserved for reference purposes.

Criteria: The AICPA has recognized ISACA as a source for guidance related to information system auditing and information system control standards. CobiT is ISACA's framework for IT controls. According to CobiT *Deliver and Support 5.4 User Account Management*, management should address requesting, establishing, issuing, suspending, modifying, and closing user accounts and related user privileges with a set of user account management procedures. This includes an approval procedure outlining the data or system owner granting the access privileges. These procedures should apply for all users, including administrators (privileged users) and internal and external users, for normal and emergency cases.

Finding 2011 – 2014 – 5 – Inadequate Controls Over the Custody of Property Forfeiture Items

Condition: The District Attorney's office was unable to locate three firearms that were in its custody.

Cause of Condition: Policies and procedures have not been designed and implemented to track and report inventory of seized property in the custody of the District Attorney.

Effect of Condition: This condition resulted in a violation of state statute and in inadequate safeguarding of assets held in trust.

Recommendation: OSAI recommends management implement an inventory system to adequately track forfeited property to safeguard assets from misappropriation on a District-wide basis.

Management Response: We disagree in part with this finding, and agree in part with this finding. Policies and procedures are in place to track and report inventory of seized property in our custody. However, we do acknowledge that in one of the 85 cases pulled we were unable to locate 3 firearms. District 21 has already implemented new procedures/policies as well as shifted job duties to ensure that firearms are destroyed and that we have verification of this in the forfeiture file. District 21 has begun the process to report all 3 firearms as lost/stolen to the National Crime Information Center.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. An important aspect of internal controls is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process, affected by management and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from misappropriation.

Title 63 O.S. § 2-506.K states in part, "Property taken or detained under this section shall not be repleviable, but shall be deemed to be in the custody of the office of the district attorney of the county wherein the property was seized, subject only to the orders and

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decrees of the court or the official having jurisdiction thereof; said official shall maintain a true and accurate inventory and record of all such property seized under the provisions of this section...”

Finding 2011 – 2014 – 6 – Lack of Segregation of Duties Over Receipts and Deposits with County Treasurer

Condition: Based on inquiry, observation, and review of documents in the District Attorney’s office, it was noted that the duties of receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization were not adequately segregated. Furthermore, it was also noted that McClain County was not making daily deposits with the County Treasurer for the Bogus Check, Restitution and Diversion, and Supervision Programs.

Garvin County – One employee has the authority to open mail, issue receipts, and post receipts to the accounting records.

McClain County – Reconciliations of daily and weekly deposits are not reviewed by management to ensure accuracy and timeliness.

Additionally, McClain County was not depositing monies collected on a daily basis. OSAI noted the following when reviewing documentation of deposits to the McClain County Treasurer’s office:

Bogus Check Program

- 2011 – Out of the 15 deposits tested, 1 was not deposited daily with the Treasurer.
- 2012 – Out of the 15 deposits tested, 2 were not deposited daily with the Treasurer.
- 2013 – Out of the 15 deposits tested, 4 were not deposited daily with the Treasurer.
- 2014 – Out of the 15 deposits tested, 9 were not deposited daily with the Treasurer.

Restitution and Diversion Program

- 2011 – Out of the 15 deposits tested, 5 were not deposited daily with the Treasurer.
- 2012 – Out of the 15 deposits tested, 3 were not deposited daily with the Treasurer.
- 2013 – Out of the 15 deposits tested, 1 was not deposited daily with the Treasurer.
- 2014 – Out of the 15 deposits tested, 13 were not deposited daily with the Treasurer.

Supervision Program

- 2011 – Out of the 15 deposits tested, 6 were not deposited daily with the Treasurer.
- 2012 – Out of the 15 deposits tested, 1 was not deposited daily with the Treasurer.
- 2013 – Out of the 15 deposits tested, 2 were not deposited daily with the Treasurer.

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- 2014 – Out of the 15 deposits tested, 9 were not deposited daily with the Treasurer.

While reviewing the Official Depository for McClain County it was also noted on March 11, 2013, 18 daily deposits were made to the County Treasurer.

Cause of Condition: Procedures have not been designed and implemented to ensure that a single person does not have responsibility in more than one area of recording, authorization, custody of assets, and the execution of transactions. In addition, there is a lack of management oversight regarding the review process of daily deposits to not only ensure the accuracy of the reconciliations, but also the timeliness of the daily deposits to the County Treasurer.

Effect of Condition: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

Additionally, a lack of management oversight regarding the review of the deposit reconciliations, as well as the timeliness of daily deposits to the County Treasurer, could result in undetected errors, misappropriation of funds, fraud, and misstated financial reports.

Recommendation: OSAI recommends management be aware of these conditions and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management's oversight of office operations and a periodic review of operations.

In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office, and having management review and approval of accounting functions.

Additionally, OSAI recommends the District Attorney's office deposit daily all monies received. In instances where daily deposits are not feasible, the payment must then be deposited the following business day. Deposits should also be reconciled to receipts issued to provide assurance that all monies collected are deposited.

Management Response: We acknowledge this finding and have adequately segregated duties in both McClain and Garvin counties except during special circumstances (i.e. vacation or sickness). In regards to daily deposits the Assistant District Attorney in charge of the McClain office is providing management oversight by signing off on a daily balance sheet that he has reviewed and acknowledged that a daily deposit has been made.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. An important aspect of internal controls is the safeguarding of assets. Internal controls over safeguarding of

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assets constitute a process, affected by management and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from misappropriation. Deposits should be made daily for all monies received, and management should review all reconciliations of deposits to ensure accuracy and timeliness. To help ensure a proper accounting of funds, key duties and responsibilities should also be segregated among different individuals to reduce the risk of error or fraud. No one individual should have the ability to authorize transactions, have physical custody of assets, and record transactions.



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