

# COUNCIL ON LAW ENFORCEMENT EDUCATION AND TRAINING

FOR THE PERIOD  
JANUARY 1, 2007 THROUGH  
DECEMBER 31, 2008



# OPERATIONAL AUDIT



Oklahoma State Auditor  
& Inspector

**Audit Report of the  
Council on Law Enforcement Education and Training  
For the Period  
January 1, 2007 through December 31, 2008**

# STATE AUDITOR AND INSPECTOR

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August 31, 2009

## **TO THE COUNCIL ON LAW ENFORCEMENT EDUCATION AND TRAINING**

Pursuant to 74 O.S. § 212, transmitted herewith is the audit report for the Council on Law Enforcement Education and Training for the period January 1, 2007 through December 31, 2008. 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". The signature is written in a cursive style.

STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

**Mission Statement**

The mission of the Council on Law Enforcement Education and Training is to provide the citizens of Oklahoma with peace officers who are trained to be professional, ethical, conscientious, sensitive to needs of the public, knowledgeable and competent in identified learning objectives. The council also provides protection to the public by regulating private security in the State of Oklahoma through education and licensing requirements and by ensuring licensees practice within the provision of the law.

**Council Members**

Chief Clayton Johnson .....	Chair
Chief Norman McNickle .....	Member
Officer Ron Bartmier .....	Member
Captain Todd Blish .....	Member
Chief Bill City .....	Member
Director DeWade Langley .....	Member
Chief Jason O’Neal.....	Member
Chief Bob Ricks .....	Member
Chief Michael Robinson.....	Member
Dr. Steve Turner .....	Member
Director Darrell Weaver .....	Member
Sheriff John Whetsel .....	Member
Sheriff Bob Wilder .....	Member

**Key Staff**

Larry Birney .....	Executive Director
Janet Ingram .....	Associate Director of Administration
Steven Floyd.....	Comptroller

# Council on Law Enforcement Education and Training Operational Audit

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**Background**

The Council on Law Enforcement Education and Training is a state agency established in 1963. The Council supports Oklahoma law enforcement in serving its communities, including enhancing public safety by providing education and training which promotes professionalism and enhances competency within the ranks of Oklahoma law enforcement.

The System’s operations are governed by 70 O.S. § 3311 through 3311.11

Oversight is provided by a thirteen member Council serving three-year terms. The agency is funded through annual appropriations of monies by the Oklahoma Legislature, penalty assessment fees collected from county and municipal courts, law enforcement license fees, self defense act license fees, and sales and service.

Table 1 summarizes the agency’s sources and uses of funds for fiscal years 2007 and 2008.

**Table 1-Sources and Uses of Funds for FY 2007 and FY 2008**

Sources:	2007	2008
State Appropriations	\$4,081,271	\$4,410,370
CLEET Penalty Assessment Fee	2,027,381	1,937,935
Application Deposits	8,708	4,604
Use of Recreational Equipment and Facilities	0	4,000
Property Equipment and Related Debt	500,000	0
Sale Buildings/Non-Structural Improvements	<u>237,000</u>	<u>0</u>
Total Sources	<u>\$6,854,360</u>	<u>\$6,356,909</u>
Uses:		
Personnel Services	\$1,989,237	\$2,726,648
Travel	34,656	72,578
Administrative Expense	1,085,535	1,613,848
Property, Furniture and Equipment	<u>2,444,714</u>	<u>2,365,735</u>
Total Uses	<u>\$5,554,142</u>	<u>\$6,778,809</u>

*Source: Oklahoma PeopleSoft Accounting System (unaudited; for informational purposes only)*

**Authority,  
Scope, and  
Sample Methodology**

This audit was conducted in response to 74 O.S. § 212, which requires the State Auditor and Inspector’s Office to audit the books and accounts of state officers whose duty it is to collect, disburse or manage funds of the state.

The audit period covered was January 1, 2007 through December 31, 2008.

Our samples were selected in such a way that whenever possible, the samples are representative of the populations and provide sufficient evidential matter. Sample methodologies can vary and are selected based on the audit objective and whether the total population of data was available. Random sampling is the preferred method; however, we may also use haphazard sampling (a methodology that produces a representative selection for non-statistical sampling), or judgmental selection when data limitation prevents the use of the other two methods. We identified specific attributes for testing each of the samples. When appropriate, we projected our results to that population.

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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 - To determine if the Agency's internal controls provide reasonable assurance that revenues, expenditures, and inventory were accurately reported in the accounting records, and financial operations complied with 62 O.S. § 7.1.C., 62 O.S. § 7.1.E., 20 O.S. § 1313.2.E., 21 O.S. § 1290.14.B.4., 59 O.S. § 1456.C., 59 O.S. § 1750.6.B.4., 70 O.S. § 3311.B.13., and 70 O.S. § 3311.L.3.**

### Conclusion

The agency's internal controls generally provide reasonable assurance that revenues, expenditures, and inventory were accurately reported in the accounting records. However, one area could be strengthened.

Compliance procedures were performed with regards to nine laws:

- The agency appears to be in compliance with 62 O.S. § 7.1.C. – receipts shall be deposited within one day of receipt, adequate safekeeping of receipts awaiting deposit, checks are restrictively endorsed immediately upon receipt;
- The agency appears to be in compliance with 62 O.S. § 7.1.E - monthly transfers from the agency's clearing account;
- The agency appears to be in compliance with 20 O.S. § 1313.2.E - monthly transfers from Municipal and County penalty fee collections to the CLEET Fund, CLEET Training Center Revolving Fund, and State General Fund;
- The agency appears to be in compliance with 21 O.S. § 1290.14.B.4 - monthly transfers from Self Defense Act license fee collections to the Firearm Instructor's Revolving Fund;
- The agency appears to be in compliance with 59 O.S. § 1456.C and 59 O.S. § 1750.6.B.4 - monthly transfers from Private Security and Polygraph license fee collections to the State General Fund;
- The agency appears to be in compliance with 70 O.S. § 3311.B.13 - monthly transfers from Sales and Service collections to the CLEET Training Center Revolving Fund; and
- The agency appears to be in compliance with 70 O.S. § 3311.L.3 - monthly transfers from Canine license fee collections to the CLEET Fund.

### Methodology

To accomplish our objective, we performed the following:

- Documented internal controls related to the receipt, expenditure, and inventory processes;
- Tested controls which included:

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- Determining the person who prepared the deposit was independent of the receipting process;
- Determining that checks are recorded on the mail log and checks are immediately endorsed with a restrictive endorsement stamp;
- Determining that hand written receipts are pre-numbered, issued in numerical sequence, indicate if the funds are in the form of cash or check, and voided receipts are maintained in the receipt book;
- Reviewing a sample of three OST Monthly Agency Statement reconciliations to ensure all deposits are accounted for on a monthly basis;
- Reviewing a random sample of 25 receipts from the period to ensure the monies were deposited within one day of the receipt, the checks were recorded on the agency's computer system receipt log, the checks were recorded on a deposit slip and the deposit amount agreed with OSF deposit records;
- Reviewing a sample of three monthly Office of State Finance (OSF) Form 11 reconciliations to ensure they were prepared by someone independent of the receipting process, the reconciliation was mathematically accurate, the amounts reported on the reconciliation agreed to the supporting documentation, and reconciling items appeared reasonable;
- Discussing with personnel and observing the location where funds are retained prior to deposit to ensure they are adequately safeguarded as required by 62 O.S. § 7.1.C.2.a;
- Reviewing a random sample of 25 expenditure claims from the audit period to ensure that they were properly and independently authorized. This included ensuring the invoice supported the payment, the claim amount and payee agreed to the PeopleSoft system, and the correct fund and account code was used;
- Reviewing a sample of three monthly voucher ledger spreadsheets to ensure disbursements were reconciled to OSF expenditure records on a monthly basis;
- Determining inventory records contain adequate inventory information to properly account for assets;
- Determining physical inventory counts are performed on an annual basis;
- Determining adequate procedures are in place to investigate missing property and to remove the property from the active inventory records in a timely manner;
- Reviewing a sample of 13 assets recorded on the inventory records to ensure the asset's existence, the asset had an identification tag affixed which identified the asset as property of the State of Oklahoma, and the identification tag number, description, and serial number of the asset agreed to information recorded on the inventory records;



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- Reviewing a sample of 12 assets from the floor to ensure the asset was recorded on the inventory records and the identification tag number, description, and serial number of the asset agreed with the information recorded on the inventory records;
- Reviewing a random sample of 6 purchase orders to ensure the packing slips were initialed documenting the items were received;
- Reviewing 20 items from DCS Surplus Property Transfer forms to ensure surplus or unusable assets are disposed of in accordance with 74 O.S. § 62.1 and inventory records were adjusted promptly when assets are retired, sold, or transferred.
- Reviewed a sample of three employees that received a pay increase during the audit period to ensure the increase was supported by a properly approved OPM-92 or OPM-14 form.
- Reviewed CORE deposits for the audit period to determine if transfers from the clearing account were occurring at least monthly and vouchers written from the clearing account were for refunds as required by 62 O.S. § 7.1.E.
- Reviewed a sample of 3 monthly deposit spreadsheets to ensure the correct percentage of penalty fee collections, licensing fee collections, and sales and service collections were transferred to the correct fund as required by 20 O.S. § 1313.2.E, 21 O.S. § 1290.14.B.4, 59 O.S. § 1456.C, 59 O.S. § 1750.6.B.4, 70 O.S. § 3311.B.13, and 70 O.S. § 3311.L.3.

### **Observation**

#### **Inventory**

OAC 580:70-1-4 states in part:

- (b) To ensure accuracy of state inventory records, an agency shall develop internal procedures for reporting and maintaining information related to the acquisition, reallocation, relocation and disposition of tangible assets to an agency inventory control officer.

An effective internal control system provides for the safeguarding of assets and the maintenance of accurate and complete records.

The agency's current inventory records did not contain all tangible assets owned by the agency. While comparing a sample of twelve assets from the floor to the inventory records, we noted one of the twelve assets selected was not included on the inventory records. After further investigation, we determined the asset was not included in the current inventory records because it had an incorrect status code of In-Active – Past Assignment. Through inquiry, we determined there are currently 3,462 items with a status code of In-Active – Past Assignment that may not be included in the active inventory records. These items could be misplaced or stolen without the agency knowing.



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### **Recommendation**

We recommend the Council on Law Enforcement Education and Training make changes to the inventory system to ensure all inventory items that are in the agency's possession are safeguarded against theft or loss and are included in the agency's inventory records.

### **Views of Responsible Officials**

As a result of the audit, CLEET conducted a thorough review of all assets with a code of "In-Active – Past Assignment." CLEET's inventory system is a database system based on Microsoft Access which creates a new record for each asset whenever the asset's status changes. All but three of the assets had additional records showing "Active – Currently Assigned," "Disposed – Removed from CLEET," or "Pending Disposal" and had been correctly reported on previous reports. The three assets with problems have all been corrected. In addition, CLEET has created a field in order to associate a disposal date with each asset. CLEET is currently in the process of confirming all disposed assets have a value in this field and is instituting new procedures to ensure this is updated whenever assets are disposed. This will allow CLEET to run inventory reports for assets not having a disposal date, making certain that all active assets are accounted for.



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