

OPERATIONAL AUDIT

# COUNCIL ON LAW ENFORCEMENT EDUCATION AND TRAINING

For the period January 1, 2009 through February 29, 2012

A photograph of the Oklahoma State Capitol dome, showing the top of the dome and the statue on top, set against a blue sky with white clouds.

*Independently serving the citizens of  
Oklahoma by promoting the  
accountability and fiscal integrity of  
governmental funds.*



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

**Audit Report of the  
Council on Law Enforcement Education and Training  
For the Period  
January 1, 2009 through February 29, 2012**



# Oklahoma State Auditor & Inspector

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January 30, 2013

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

This is the audit report of the Council on Law Enforcement Education and Training for the period January 1, 2009 through February 29, 2012. 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".

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

# Council on Law Enforcement Education and Training Operational Audit

## Background

The Council on Law Enforcement Education and Training (CLEET) 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.

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.

Council members are:

Director Norman McNickle .....	Chairman
Sheriff John Whetsel.....	Vice-Chair
Major Todd Blish.....	Member
Chief Bill City.....	Member
Director Stan Florence .....	Member
Chief Byron Cox.....	Member
Chief Jason O'Neal.....	Member
Chief Bob Ricks.....	Member
Chief Michael Robinson .....	Member
Jason Smith, Sgt. At Arms.....	Member
Ed Smith .....	Member
Director Darrell Weaver .....	Member
Sheriff Bob Wilder.....	Member

Table 1 summarizes the agency's sources and uses of funds for state fiscal years 2010 and 2011 (July 1, 2009 through June 30, 2011).

**Table 1-Sources and Uses of Funds for SFY 2010 and SFY 2011**

Sources:	2010	2011
State Appropriations	\$4,335,354	\$3,916,990
Private Investigator/Sec. Guard Licenses	\$0	\$122,719
CLEET Penalty Assessment Fee	\$1,834,011	\$1,907,501
Repayment of Loans	\$0	\$2,397
Other Grants, Refunds, & Reimbursements	\$0	\$276,725
Application Deposits	\$17,500	\$14,600
Use of Recreation Equipment & Facilities	\$13,172	\$10,052
Sale of Surplus Property	\$1,319	\$0
Total Sources	<u>\$6,201,376</u>	<u>\$6,250,783</u>
Uses:		
Personnel Services	\$3,038,227	\$2,861,512
Travel	\$48,211	\$25,575
Administrative Expense	\$1,231,716	\$1,265,768
Property, Furniture and Equipment	<u>\$2,055,376</u>	<u>\$2,122,066</u>
Total Uses	<u>\$6,373,531</u>	<u>\$6,274,921</u>

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

# Council on Law Enforcement Education and Training Operational Audit

## **Purpose, 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 all state agencies whose duty it is to collect, disburse or manage funds of the state.

The audit period covered was January 1, 2009 through February 29, 2012.

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 selected our samples in such a way that whenever possible, the samples are representative of the populations and provide sufficient evidential matter. We identified specific attributes for testing each of the samples. When appropriate, we projected our results to that population.

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 if the Agency's internal controls provide reasonable assurance that revenues and expenditures were accurately reported in the accounting records, and financial operations complied with 62 O.S. § 34.57.C, 62 O.S. § 34.57.E, 70 O.S. § 3311v1.B.13, 70 O.S. § 3311v1.L.3, 70 O.S. § 3311v1.M.3, 20 O.S. § 1313.2.D, 21 O.S. § 1290.14.B.4, 59 O.S. § 1456.C, and 59 O.S. § 1750.6.B4.**

## **Conclusion**

The Agency's internal controls provide reasonable assurance that revenues and expenditures were accurately reported in the accounting records.

Financial operations complied with the following statuses:

- 62 O.S. § 34.57.C – funds are adequately safeguarded prior to deposit;
- 62 O.S. § 34.57.E – transfers from the clearing account to other accounts or funds should be made monthly and no money shall be disbursed from the clearing account;
- 70 O.S. § 3311v1.B.13 – 100% of Sales and Service Collections are transferred to the CLEET Training Center Revolving Fund;
- 70 O.S. § 3311v1.L.3 and 70 O.S. § 3311v1.M.3 – 100% of the Canine Fee collections are transferred to the CLEET fund;

## **Council on Law Enforcement Education and Training Operational Audit**

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- 20 O.S. § 1313.2.D – From the Municipal and County fee collections, 60.53% are transferred to the CLEET fund, 33.64% are transferred to CLEET Training Center Revolving fund, and 5.83% are transferred to the State General fund;
- 21 O.S. § 1290.14.B.4 – 100% of Self Defense Act (SDA) fee collections were transferred to the Firearms Instructors Revolving fund;
- 59 O.S. § 1456.C and 59 O.S. § 1750.6.B.4 – 100% of the Polygraph License fee collections are transferred to the State General Fund. Prior to November 1, 2010, 100% of Private Security collections were transferred to the State General fund. Beginning November 1, 2010, the amount to be transferred to either the State General fund or the Private Security Revolving fund is based on the type of license fee.

### **Methodology**

To accomplish our objective, we performed the following:

- Obtained and understanding of internal controls related to the receipting and expenditure processes through discussions with Agency personnel, observation, and review of documents;
- Tested controls which included:
  - Reviewing a random sample of 25 deposits from the period to ensure the check amount on the deposit slip traces to the Agency's receipt log and mail log, the deposit slip traces to the depository form, the deposit occurred within one working day of the receipt date, and the corresponding receipt books consisted of pre-numbered hand-written receipts;
  - Observing the locked safe in the file room to ensure funds received after 3:00 P.M. are adequately safeguarded;
  - Reviewing a random sample of 10 monthly reconciliations from the period to ensure the reconciliation spreadsheets trace and agree to OST Monthly Agency Statements and the OSF Clearing Account report and funds were transferred from the clearing account on a monthly basis;
  - Reviewing a random sample of 25 vouchers from the period to ensure the supporting invoice was properly approved and mathematically accurate, and the expenditure was reasonable and properly coded.
- Haphazardly selected three months from the audit period, recalculated the amount of net collections for each category (County, Municipal, SDA, Private Security, Polygraph, Sales and Services, Canine, and Miscellaneous) and traced the amount to an OSF CORE journal entry to ensure the necessary percentage of collections was transferred to the correct fund on a monthly basis.

There were no exceptions noted as a result of these procedures.



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