



CLEVELAND COUNTY SHERIFF'S OFFICE

Special Audit Report

April 24, 2025

Cindy Byrd, CPA
State Auditor & Inspector

Cleveland County Sheriff's Office

Special Audit Report

Part 2

April 24, 2025



April 24, 2025

TO THE CLEVELAND COUNTY BOARD OF COUNTY COMMISSIONERS

Presented herein is the special audit report – part 2, of the Cleveland County Sheriff’s Office. 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 this engagement.

This report is a public document pursuant to the Open Records Act, 51 O.S. §§ 24A.1, *et seq.* and is available to any person for inspection and copying.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



Cleveland County Sheriff's Office

Special Audit Report Part 2

April 24, 2025

WHY WE DID THIS AUDIT

Under 74 O.S. § 212(I), the Cleveland County Board of County Commissioners (BOCC) requested the Oklahoma State Auditor & Inspector's (OSAI) office to conduct an audit of the Cleveland County Sheriff's Office (CCSO).

On February 12, 2024, the Cleveland County BOCC originally requested that OSAI conduct a special audit of the CCSO (this included all aspects of the Sheriff's Office, including but not limited to Administration, Operations, Courthouse Security, Detention Center, etc.) for FY24 to date, FY23, FY22, and FY21.

Due to the Sheriff's budget crisis and disagreements between Cleveland County Budget Board (Budget Board) members on the Sheriff's accurate collection amounts, OSAI issued Part 1 to fulfill the March 4, 2024, audit request. Part 1 was issued on June 12, 2024. On May 2, 2024, the Cleveland County BOCC amended the original request from February 12, 2024. OSAI is issuing this report as Part 2 to fulfill the May 2, 2024, amended audit request consisting of the objectives noted below.

The County amended the original request to only include FY24. The objectives on the amended request were:

- **PCard Transactions:** Review procurement card (PCard) transactions to ensure compliance with policies and procedures established by the State Auditor and Inspector and the Office of Management and Enterprise Services.
- **Transportation Deputies' Credit Card Transactions:** Investigate these transactions to confirm adherence to county travel policies, including per diem meal allowances and lodging.
- **Encumbrances for Purchases:** Examine expenditures to determine if funds for services or products were appropriately encumbered before purchase.
- **Payroll Expenditures:** Review payroll data for the specified period to ascertain:
 - a. which funds were used to meet payroll,
 - b. whether those funds were available for payroll purposes,
 - c. if payroll obligations were met retroactively, such as providing retroactive raises to employees.
- **Contracts and Expenses:** Review contracts, lease/purchase agreements, utility bills, and subscription/membership expenses to ensure proper encumbrances and accounted for.
- **Jail Financial Operations:** Examine the financial operations of the jail to determine whether its expenditures align with its revenue sources. Additionally, compare staffing levels for FY24 versus FY20 and confirm that all expenses were properly accounted for and encumbered on timely basis, according to purchasing statutes.

EXECUTIVE SUMMARY

During the fiscal year ending June 30, 2024, the CCSO experienced a budget shortfall, necessitating additional funding from the Cleveland County Budget Board to avoid a deficit. Several factors contributed to this shortfall.

Purchasing Laws Not Followed: Our audit noted multiple instances where the CCSO failed to encumber funds prior to making a purchase. Oklahoma State Statute Title 19 O.S. § 1505 details that county offices are required to encumber funds before ordering and receiving goods and/or services. Statutes are clear that prior to making any purchase or financially obligating the County, an officer must ensure funds are available and properly encumber the funds. An encumbrance is simply the governmental practice of ‘setting aside’ funds for a specific purpose to ensure budgetary compliance. Auditors noted that some purchases were made, and invoices were received, up to two months or more prior to encumbering the purchase.

Insufficient Controls Over Budget Process: This situation was further exacerbated by poor budgetary practices of the CCSO. The Budget Board approved a total budget of \$18,360,000 for the CCSO on September 26, 2023. This amount included budgeted funds of \$3,000,000 from the County General Fund and the remainder from various Sheriff revolving cash funds and the Public Safety Sales Tax funds. The CCSO had prepared an estimate of needs for FY24 with a total of all estimated expenses being \$23,276,334. This estimate included \$17,576,334 of County General Fund monies. After the Budget Board approved a lower budget than was requested, the CCSO did not take steps to stay within the limits of the approved budget.

By February 12, 2024, the CCSO had to return to the Budget Board to notify the Board of a financial shortfall and to request additional funds. The CCSO presented an estimate of the needed funds to provide for payroll and expenses through the end of the fiscal year. Financial personnel of the CCSO could not provide documentation to auditors to explain how the number was calculated or substantiate the dollar amount requested from the Budget Board.

CCSO defended their overspending based on their understanding that funding shortfalls could be covered by the Public Safety Sales Tax fund. In reviewing the minutes of the Budget Board for the September 26, 2023 meeting, it was noted that a member stated, “If the revenue falls short, he (Sheriff) will be supplemented with funds from the public safety sales tax.” That statement appears to be related to whether the CCSO would collect the estimated cash in revolving funds to meet the total approved budget amount of \$18,360,000 by fiscal year end. Upon review, it was determined that the CCSO did collect the entire amount of \$18,360,000 approved for the annual budget but still overspent the allowed amount. The CCSO provided an audio recording to OSAI between the Sheriff and a Budget Board member after the meeting. This recording between the Sheriff and the Budget Board Member mentions that the Sheriff will be given money from the public safety sales tax if revenue falls short as stated in the Budget Board meeting. Further, the recording goes on to mention the Sheriff will receive more funds next year. OSAI was able to verify the CCSO did receive more funding in FY25 totaling \$11,418,384.

The Cleveland County Justice Authority (CCJA) used Public Safety Sales Tax funds and paid invoices totaling \$420,132 for jail related expenses of the CCSO in FY24. This activity is not reflected in the CCSO budget and appears to have led to additional confusion of the CCSO budget issues. OSAI was informed through interviews that the CCSO was denied the opportunity to request items to be placed on the CCJA agenda. While there was no documentation in FY24, OSAI did obtain supporting documentation in FY25 in which the CCSO was denied requests for items to be placed on the agenda.

Insufficient Controls Over Travel Expenses: The County P-Card policy for travel expenses was not followed. The P-Card policy states “*The purchase card may be used for travel expenses as outlined in the written policy adopted by the Board of County Commissioners on behalf of the County.*” The County travel policy updated on February 22, 2021, appears to have not been followed when reimbursements were submitted for travel. The policy states “*Reimbursement of per diem expenses is based on the provisions of the Internal Revenue Code and rates issued by the Government Services Administration (GSA). Further, tips and gratuities are limited to a maximum of 20% and valid receipt must be attached.*” There were instances of meals that exceeded the GSA rates, excessive tips and taxes were paid. The CCSO attended 24 out of state training conferences totaling \$33,283 throughout the United States such as Kansas, Florida, Texas, Nevada, Washington, and Tennessee during FY24. This is the same fiscal year where the CCSO made multiple requests to the Budget Board for additional funding.

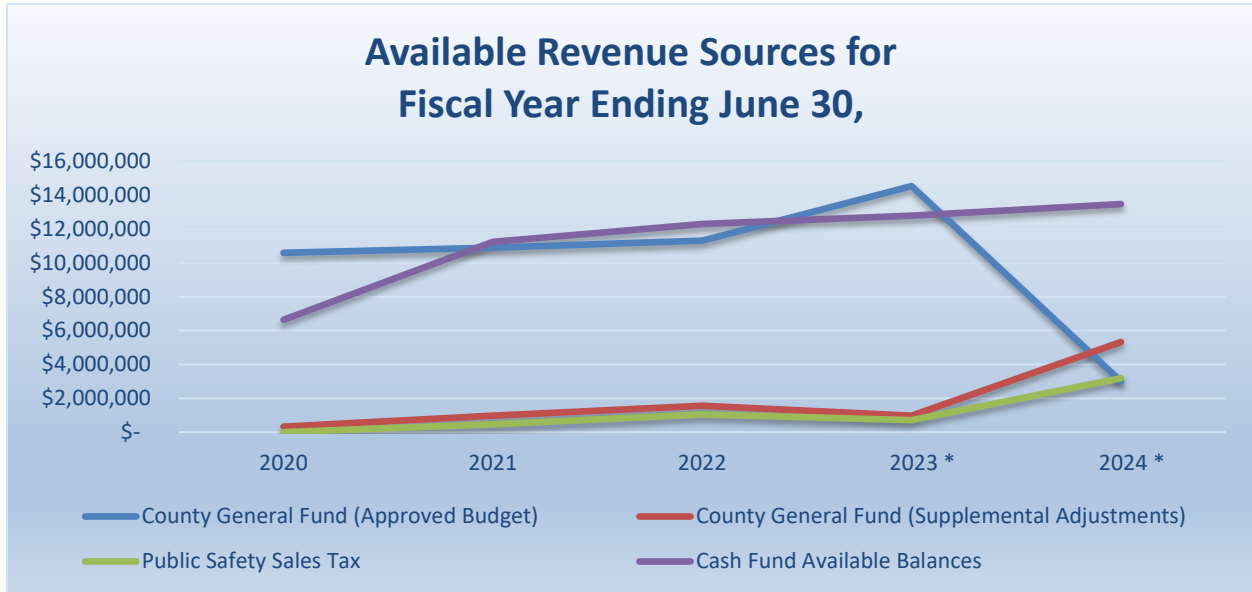
There is no specific policy for the Sheriff’s Transport Deputies’ Credit Card transactions however, the CCSO was following the County Travel Policy. There were expenses for high-end meals, games, DoorDash service, and a hotel room for a training conference. This training conference was cancelled, however, the CCSO did not cancel the hotel room and still incurred the charges. The CCSO did implement an internal policy on August 20, 2024 for Sheriff’s Transport Deputies’ Credit Card transactions.

Other Weaknesses Noted: The CCSO does not prepare an annual schedule of incarceration costs to determine the actual cost of incarcerating an inmate. Further, CCBB has not required the CCSO to submit this schedule in conjunction with the annual estimate of needs. This is a very important tool that can assist a county in determining how much should be appropriated annually to fund the jail. It was further noted that the CCSO has experienced a turnover in administrative staff responsible for financial matters. This further weakened the processes over the budgeting and expenditures processes.

CCSO Five Year Available Cash Fund Analysis

Fund	Fiscal Year Ending June 30,				
	2020	2021	2022	2023 *	2024 *
County General Fund (Approved Budget)	\$ 10,604,910	\$ 10,898,910	\$ 11,311,979	\$ 14,544,181	\$ 3,000,000
Public Safety Sales Tax	\$ -	\$ 458,400	\$ 1,045,208	\$ 713,772	\$ 3,186,985
Cash Fund Available Balances	\$ 6,641,247	\$ 11,249,981	\$ 12,302,708	\$ 12,802,828	\$ 13,481,568
Subtotal	\$ 17,246,157	\$ 22,607,291	\$ 24,659,895	\$ 28,060,781	\$ 19,668,553
County General Fund (Supplemental Adjustments)	\$ 321,980	\$ 980,680	\$ 1,554,017	\$ 974,483	\$ 5,326,892
Total	\$ 17,568,137	\$ 23,587,971	\$ 26,213,912	\$ 29,035,264	\$ 24,995,445

* The fiscal year ending June 30, 2023 and June 30, 2024 information comes from unaudited financial statements. All funds except for County General Fund (Approved Budget) and (Supplemental Adjustments) are presented on a cash basis.



County General Fund (Approved Budget) – The Oklahoma Constitution and the Oklahoma State Statutes authorize counties to create a county general fund, which is the county’s primary source of operating revenue. The county general fund is typically used to pay most county employees’ salaries plus many expenses for county maintenance and operation. It also provides revenue for various budget accounts and accounts that support special services and programs. The board of county commissioners must review and approve all expenditures made from the county general fund. The primary revenue source for the county general fund is usually the county’s ad valorem tax collected on real, personal (if applicable), and public service property. Smaller amounts of revenue can come from other sources. The Approved Budget amounts are the original amounts the County approved for each account during the budget process.

Public Safety Sales Tax – On November 12, 2019, the voters of Cleveland County approved a one-eighth (1/8) of one percent sales tax on gross receipts or proceeds of certain taxable sales within Cleveland County effective April 1, 2020 for a twenty (20) year term; the proceeds of said tax to be utilized for the funding of the following County Public Safety services: operations, programs, equipping, maintenance, repairs and renovations, as necessary, to the Cleveland County Justice Facility (CCJA), including renovations or new construction, construction, maintenance, operations and programming for the Cleveland County Juvenile Detention facilities and Cleveland County sobering facilities as approved by the Board of County Commissioners; salaries, staffing and training expenses for Cleveland County Sheriff’s Deputies; providing grants to fire departments and other emergency responders serving Cleveland County as approved by the Board of County Commissioners; providing funds to the emergency management systems serving Cleveland County; authorizing the pledging of the sales tax for debt service on any financing and cost of issuance on public safety facilities.

Cash Fund Available Balances – The Cash Fund Available Balances amount shown in the chart above include beginning balances and total receipts for the fiscal year. The following cash funds account for statutorily authorized revenue sources to be expended for specific purposes:

Sheriff Service Fee – accounts for the collection of fees and reimbursements for revenues such as process fees, courthouse security, contracts for housing and feeding prisoners per state statute 19 O.S. § 514.1.

Sheriff Special Revenue – accounts for monies received and disbursed for the operation of the Jail.

Sheriff Commissary – revenue from selling goods to prisoners incarcerated in the County jail. The revenue is to be used to improve and provide jail services. The Sheriff may also use any surplus of this fund not needed for jail purposes for administering expenses for training equipment, travel, or for capital expenditures. See 19 O.S. § 180.43 (D).

Sheriff Justice Assistance Grant Fund – accounts for grant monies received and disbursed as restricted by the grant agreements.

Sheriff Jail Fund – accounts for the jail bond fees received from the Court Clerk and disbursed for the operation of the jail. The Sheriff Jail Fund was combined with the Sheriff Service Fee in FY23 per the Chart of Accounts.

Sheriff Federal Share Revenue – accounts for the collection of a percentage of seized assets and disbursed for law enforcement purposes. The Sheriff Federal Share Revenue remaining balance was transferred to the Sheriff Service Fee in FY21 per BOCC Resolution.

County General Fund (Supplemental Adjustments) –The Supplemental Adjustments are additional amounts added to each account during the year. The FY24 Supplemental Adjustment amount also includes budget board approved transfers in the amounts of \$1,300,000 from General Government Capital Improvement, \$275,000 from County Capital Reserve, \$2,205,000 from General Government Capital Improvement, and \$1,000,000 from Commissioners General Government. These funds are all included within the County General Fund and there was a lapsed amount of \$1,235,969, which will be reallocated in FY25. See Appendix 1 for more details on these transfers.

Table of Contents

Objective 1 | PCard Transactions

Review procurement card (PCard) transactions to ensure compliance with policies and procedures established by the State Auditor and Inspector and the Office of Management and Enterprise Services 8

Objective 2 | Transportation Deputies' Credit Card Transactions

Investigate these transactions confirm adherence to county travel policies, including per diem meal allowances and lodging 9

Objective 3 | Encumbrances for Purchases:

Recalculate billings for the housing of prisoners and confirm they were accurate and timely..... 12

Objective 4 | Payroll Expenditures

Review payroll data for the specified period to ascertain:
a. which funds were used to meet payroll;
b. whether those funds were available for payroll purposes;
c. if payroll obligations were met retroactively, such as providing retroactive raises to employees..... 15

Objective 5 | Contracts and Expenses:

Review contracts, lease/purchase agreements, utility bills, and subscription/membership expenses to ensure proper encumbrances and accounted for..... 19

Objective 6 | Jail Financial Operations:

Examine the financial operations of the jail to determine whether its expenditures align with its revenue sources. Additionally, compare staffing levels for FY24 versus FY20 and confirm that all expenses were properly accounted for and encumbered on timely basis, according to purchasing statutes 23

Appendix 1:

CCSO Requests for Additional Funds/Budget Board Meeting Minutes 26

Objective 1 | PCard Transactions

Objective 1 Review procurement card (PCard) transactions to ensure compliance with policies and procedures established by the State Auditor and Inspector and the Office of Management and Enterprise Services.

The board of county commissioners, on behalf of the counties, are eligible to participate in the State Purchase Card Program by making an application through the Office and Management and Enterprise Services (OMES) for the State of Oklahoma authorized PCard. The State Purchase Card Program is authorized by the Oklahoma Central Purchasing Act.

Through competitive bidding, OMES Central Purchasing awards a statewide contract for the purchase card program. This contract is a mandatory contract for counties that use a purchase card as a payment mechanism. The current contract has been awarded to the Bank of America.

Counties must make payment for the credit card transactions by electronic funds transfer (EFT) to the contract holder (Bank of America). The board of county commissioners should confirm the ability of the county treasurer to make electronic payments.

Counties applying for the state purchase card must adopt the SA&I Purchase Card Policies and Procedures Manual and the SA&I Travel Policy unless counties already have an approved policy. See card limits and controls outlined below under “Program Implementation” in this chapter.

All purchases made with the PCard are subject to the purchasing laws in Title 19 and Title 61 and to State of Oklahoma requirements. The PCard is only a method of payment, and all county purchasing laws still apply.

Cleveland County implemented the PCard program on February 27, 2017. At that time, the County adopted the PCard policies and procedures recommended by OSAI. The County has continually updated the policies and procedures. Individuals from each office are issued PCards and attend regular training to maintain their cards. PCard purchases are made during the month and then at the end of each month, the Purchasing Agent receives the PCard statement and reviews all charges. The individual offices then submit receipts and supporting documents for each purchase made to the Purchasing Agent.

Finding Auditor tested 100% of the CCSO PCard disbursements. During the audit period, of the eighty-two (82) PCard transactions, there were thirty-seven (37) not timely encumbered totaling \$18,904.85, two (2) not supported by adequate documentation totaling \$499.60, seven (7) included sales tax and processing fees totaling \$475.71, and one (1) that was not for the appropriate amount of \$62.27.

During the period there were eighty-two (82) PCard transactions totaling \$47,764.57 made by the CCSO. The purpose of these transactions ranged from travel in state/out of state, office supplies, training, and prisoner transports.

Fiscal Year 2024 Training Conferences

The CCSO attended multiple training conferences or online trainings throughout the fiscal year. The CCSO used PCards, travel cards and regular purchase orders to pay for the different trainings. Lodging and meals for individuals attending the training conferences were also paid. OSAI was able to confirm that the CCSO attended 24 trainings in FY24. These trainings were in locations throughout the United States such as Kansas, Florida, Texas, Nevada, Washington, and Tennessee. The total amount of registration costs and travel costs for these 24 training conferences was \$33,283, of which OSAI was able to verify these costs. These trips occurred during the year when the CCSO made multiple requests to the Budget Board for additional funds for payroll and other maintenance and operational needs.

In addition to the PCard transactions noted above, OSAI also reviewed PCard transactions for FY23. The following significant items were noted:

- The CCSO paid \$244 for registration for a spouse/significant other to attend a National Sheriff's Association conference on March 18, 2022. This should have been paid separate however, the Sheriff reimbursed the County on January 23, 2023. OSAI verified the amount was deposited with the County Treasurer's Office. During the same conference, the CCSO paid for 5 hotel rooms when documentation only noted 4 Sheriff employees attended.
- The CCSO paid \$35 for registration for a spouse to attend a conference in Las Vegas, Nevada on November 29, 2022. This should have been paid separate however, the Sheriff reimbursed the County on January 23, 2023. OSAI verified the amount was deposited with the County Treasurer's Office.
- There were 3 instances where the CCSO paid for meals during a day that exceeded the GSA rate. The total overage was \$219.25.
- The CCSO had multiple instances of paying state taxes and excessive tips.

Description:	
2022 NSA Annual Conference Registration For: Amason (Conf# WCPHNKKNP)	
Spouse or Significant Other Registration \$235.00	
Registration Insurance \$9.40	
TOTAL:	\$244.40 USD
Paid to Date:	\$0.00 USD
Balance Due:	\$244.40 USD

Registration Summary Information	
Chris Amason	
Principle Business: RLA - Active LE Agency Department Purchaser	
Description	Item Total
Monorail 5-Day Unlimited Ride Pass (Qty: 1)	\$37.83
No Thanks - Project ChildSafe Foundation Contribution (Qty: 1)	\$0.00
Registration (Qty: 1)	\$35.00
Spouse (Qty: 1)	\$35.00

Objective 2 | Transportation Deputies' Credit Card Transactions

Objective 2 Investigate these transactions to confirm adherence to county travel policies, including per diem meal allowances and lodging.

The Oklahoma State University Extension office provides County Officer Handbooks on their website which acts as a guide for the offices to perform their duties, responsibilities, and statutory mandates. The following nine paragraphs come from the Handbook for County Sheriffs of Oklahoma and state statutes.

Travel Credit Cards

Subject to the limitations and procedures provided by Title 19 O.S. § 1506, any county sheriff or deputy county sheriff may purchase materials, supplies, or services necessary for travel out of the county using one or more credit cards issued to the county for use by the county sheriff's department. Purchases made with these credit cards are limited to actual expenses for travel out of the county by the county sheriff or deputies to perform their official duties, except that the credit cards may also be used to purchase fuel within the county on weekends, nights, or holidays when fuel cannot be obtained from the vendor to whom a bid for fuel purchases has been awarded.

Defining Actual Expenses

Actual expenses for travel mean expenses for travel by public or private railroads, airplanes, buses, rental cars, or other public or private conveyances; fuel; oil; meals; lodging; parking fees; and telephone expenses.

Requesting Credit Cards

The county sheriff may request the board of county commissioners of the county to apply for one or more credit cards for use by the county sheriff's department. The application must be made in the name of the county, and any credit cards issued must be issued in the name of the county only. The board of county commissioners then issues the card or cards to the county sheriff's office.

Encumbering Funds and Paying Bills

Title 19 O.S. § 1506C states, "for each card issued to the county by an issuer, the county shall encumber sufficient funds each month to pay for the estimated charges to be made with the cards, including any annual or other fee owed for the use of cards. The funds for payment of credit card charges must be made from the annual county appropriation to the county sheriff's department. Payment of the bill for charges incurred on any card must be made in a timely manner so that no interest charges or penalties accrue and so that the total payment amount corresponds to the balance of charges for purchases in addition to any applicable annual fee or service charge."

County Sheriff Responsibilities

The county sheriff of each county issues cards when the cards are required for expenditures incurred in connection with travel outside the county. The county sheriff remains responsible for the proper use of all cards issued.

Maintaining Receipts

All receipts for charges made by use of any card issued to a county must be returned to the board of county commissioners to facilitate accurate records of total monthly expenditures for which the county will be obligated.

Notification of Anticipated Expenditures

Title 19 O.S. § 1506 E states, “on or before the 25th day of each month, the county sheriff must notify the board of county commissioners of the anticipated credit card expenditures for the following month. When credit purchases are made, the county sheriff or deputy county sheriff must immediately and accurately document all expenditures on a form prepared by the State Auditor and Inspector (SA&I Form No. 112, County Sheriff's Credit Card Expenditures, and SA&I Form No. 1-4030, Receiving Report) attaching receipts and a written explanation of each expenditure as to the date, case number, or other identification number; area or location; reason for expenditure; and amount expended. The county sheriff must approve all forms. The original form must be attached to the purchase order and be submitted to the board of county commissioners for final approval and payment. A copy of the form must be retained for the county sheriff's records.”

Finding

After testing 100% of the 303 transport credit card transactions in FY24, the following items were noted:

- ***One hundred twenty-eight (128) transactions were not encumbered timely.***
- ***Sixty-three (63) transactions included in-state taxes.***
- ***Twenty (20) transactions did not include itemized receipts.***
- ***Eighteen (18) transactions had excessive tips for more than 20%.***
- ***Nine (9) transactions did not have supporting receipts.***
- ***Eight (8) transactions included late fee payments.***
- ***Five (5) transactions had invoices that did not match the amount paid.***
- ***Four (4) transactions appeared to include excessive purchases.***

Among these transactions, several notable ones are listed below:

- A meal receipt from Mike's Clam Shack totaling \$141.84 for two (2) deputies.
- A \$924.04 hotel charge for a conference in Florida that no Sheriff's employees attended. The CCSO cancelled the trip but did not cancel the hotel booking.
- A receipt for Ziosk Premium Content – Gaming service while waiting for food.
- A receipt for DoorDash service included delivery fees and tip in excess of 27%.

In addition to the exceptions noted above, OSAI reviewed the transactions to determine if they were in line with the General Services Administration (GSA) per diem rates. Cleveland County does not have a clear policy in place for transportation deputies, however the Cleveland County P-Card Policy and Handbook refers to using GSA rates which may be located at www.gsa.gov. GSA establishes the rates used by federal agencies to reimburse their employees for lodging, meals, and incidental expenses incurred while on official travel within the continental United States (CONUS). A standard rate applies to most of CONUS. Individual rates apply to about 300 non-standard areas (NSAs). Most NSAs are a key city/primary destination and the surrounding county. During the review, it was noted that there were thirteen (13) trips with meal expenses that exceeded the allowable GSA rate with total overages of \$206.53.

During a review of SA&I Form No. 112, County Sheriff's Credit Card Expenditures, the auditor noted that the forms were not detailed in terms of the number of employees on the

trip, inmates' meals, and the purpose of the trip. This form required per Title 19 O.S. § 1506 E states: *“On or before the 25th day of each month, the sheriff shall notify the board of county commissioners of the anticipated credit card expenditures for the following month. When credit purchases are made, the sheriff or deputy sheriff shall immediately and accurately document said expenditures on a form prepared by the State Auditor and Inspector, attaching receipts and a written explanation of each expenditure as to the date, case number or other identification number, area or location, reason for expenditure and amount expended. A copy of the form shall be submitted to the sheriff for approval and the original form shall be attached to the purchase order and shall be submitted to the board of county commissioners for final approval and payment. A copy of the form shall be retained for the sheriff's records.”*

OSAI recommends the County consult with the District Attorney's Office to determine if payments over GSA rates are a taxable fringe benefit to the employee. Further, the County should consider updating their travel policy to ensure there are no frivolous charges at the taxpayers' expense.

Objective 3 | Encumbrances for Purchases

Objective 3 Examine expenditures to determine if funds for services or products were appropriately encumbered before purchase.

The Oklahoma State University Extension office provides County Officer Handbooks on their website which acts as a guide for the offices to perform their duties, responsibilities, and statutory mandates. The following two paragraphs are from the Purchasing Handbook for Oklahoma Counties explaining the proper county purchasing process.

Expenditures

OSAI is responsible for establishing the procedures necessary to ensure the proper implementation of the county purchasing system and for developing the forms required for record-keeping and auditing purposes pursuant to Title 74 O.S. § 214 which states, *“The State Auditor and Inspector shall prescribe a uniform system of bookkeeping for the use of all county officials to afford a suitable check upon their mutual acts and ensure a thorough inspection, and to ensure the safety of the state and county funds. He shall have full authority to prescribe a system of bookkeeping for all county officers which shall be in accordance with generally accepted accounting principles, as applied to governmental units, except when in conflict with Oklahoma Statutes, and when necessary instruct or cause to be instructed the state and county officers in the proper mode of keeping the accounts. Provided however, when a conflict with Oklahoma Statutes arises concerning accounting systems for those counties utilizing electronic data processing, the county may request in writing that the State Auditor and Inspector approve an alternate accounting procedure. The State Auditor and Inspector shall have the authority to approve or disapprove such requests. Annually, the State Auditor and Inspector shall provide a report of those counties requesting alternate accounting systems to the Speaker of the House of Representatives and the President Pro Tempore of the Senate. The State Auditor and Inspector shall not change any accounting systems or procedures during the last year of his term of office that would have an impact on the ability of any independent licensed public accountant to provide auditing services to such officers. He shall make a thorough*

examination of the books, accounts and vouchers of such officers, ascertaining in detail the various items of receipts and expenditures. He shall report to the Governor the refusal or neglect of any state or county officer to obey his instruction. He shall make a report of the result of his examination, which shall be filed in the Office of the State Auditor and Inspector, as well as any failure of duty by any financial officers, and the Governor may cause the result of such examination to be published. Provided, that no county officer shall be required to discard any books or supplies on hand.”

OSAI has created SAI Form 1116 Requisition-Purchase Order-Claim for counties to use. This form is used to requisition and encumber funds for county purchases in all departments, to itemize items to be purchased and identify possible vendor and selected vendor, and to track approval for purchase by purchasing department and governing board. This form is used each time funds are encumbered for purchase and when a purchase is approved. This form follows Title 19 O.S. § 1505 which outlines the procedures for the purchase process in county government. Filling out this form ensures the funds are encumbered before the county is provided with goods or services.

Finding *OSAI reviewed one hundred twenty (120) expenditures to determine if they were being appropriately encumbered before the purchase. Expenditures were from the County General Fund, Sheriff Service Fee, Sheriff Justice Assistance Grant Fund, Sheriff Commissary and Public Safety Sales Tax. Of the expenditures reviewed, the following items noted:*

- *Forty-one (41) expenditures were not properly encumbered totaling \$129,932.*
- *Three (3) expenditures included late fee payments totaling \$29.*

CCSO Outstanding and Cancelled Purchase Orders

On March 11, 2024, the Budget Board had an agenda item to accept a list of items from the CCSO to determine if they had sufficient balances to finish the fiscal year. These items included:

- Current balance of available funds in the County General fund account and revolving cash accounts.
- Expended payroll through February 29th.
- Expected payroll through June 30th.
- Expenses of the Cleveland County Detention Center through February 29th.
- Expected expenses through June 30th for the CCDC.
- Expenses of all other operations of the CCSO through February 29th.
- Expected expenses through June 30th for the CCSO.
- A list of all encumbrances.

On April 29, 2024, the CCSO sent the Budget Board Chairman, Rod Cleveland, four spreadsheets that were titled Detention Outstanding, Operations Outstanding, Detention Cancelled and Operations Cancelled as of April 29, 2024. It appears that this information was intended to further support the information requested in the March 11, 2024, Budget Board meeting. OSAI reviewed the spreadsheets which resulted in the following finding.

Finding *OSAI reviewed four hundred two (402) expenditures to determine if proper purchasing procedures were followed and were properly encumbered prior to receiving the invoice for the outstanding and cancelled invoices. Of the expenditures that were reviewed, the following items were noted:*

- **Detention Outstanding** – Of the sixty-eight (68) outstanding invoices for the Detention Center reviewed, it was noted that items were purchased without following required budgeting procedures to ensure the funds were available, purchase orders were cancelled, that begs the question if goods/services were even needed, and poor bookkeeping practices resulted in the county incurring excessive late fees. The following items were noted:
 - Eighteen (18) purchase orders were paid two (2) months after the invoice due date totaling \$82,931.
 - Two (2) purchase orders were cancelled totaling \$29,838.
 - Five (5) late fee payments were paid totaling \$797.
- **Operations Outstanding** - Of the one hundred eight (108) outstanding invoices for the Detention Center reviewed, it was noted that items were purchased without following required budgeting procedures to ensure the funds were available, purchase orders were cancelled, that begs the question if goods/services were even needed, and proper procedures were not followed resulting in an unallowable purchase being made for legal fees outside the scope of the CCSO. The following items were noted:
 - Eighty-six (86) purchase orders were paid more than two (2) months after the invoice due date totaling \$192,636.
 - One (1) purchase order was cancelled in the amount of \$10.
 - Two (2) purchase orders had funds that were encumbered in fiscal year 2025 totaling \$18,333.
 - One (1) purchase order for legal expenses that does not pertain to the business of the CCSO in the amount of \$550. The detailed invoice included amounts charged to the county for researching campaign laws, meetings with campaign consultants and other activities. A representative for the CCSO claimed this was for mediation services.

3/9/2024
 Researched campaign laws, spoke to Sheriff Amason.
- **Detention Cancelled** – Of the fifty (50) purchase orders that were said to be cancelled for the Detention Center by the CCSO, it was noted that some purchase orders were cancelled, some were paid in full, and others were partially paid, which resulted in a misleading report being submitted to the Budget Board and decisions being made based on inaccurate or incomplete information. The following items were noted:
 - Twenty (20) purchase orders were cancelled totaling \$39,200.
 - Nineteen (19) purchase orders were not cancelled and fully paid to the vendors totaling \$24,612.
 - Eleven (11) purchase orders were not cancelled and partially paid to vendors and have outstanding balances totaling \$8,685.
- **Operations Cancelled** – Of the one hundred seventy-six (176) purchase orders that were said to be cancelled for Operations by the CCSO, it was noted that some

purchase orders were cancelled, some were paid in full, and others were partially paid, which resulted in a misleading report being submitted to the Budget Board and decisions being made based on inaccurate or incomplete information. The following items were noted:

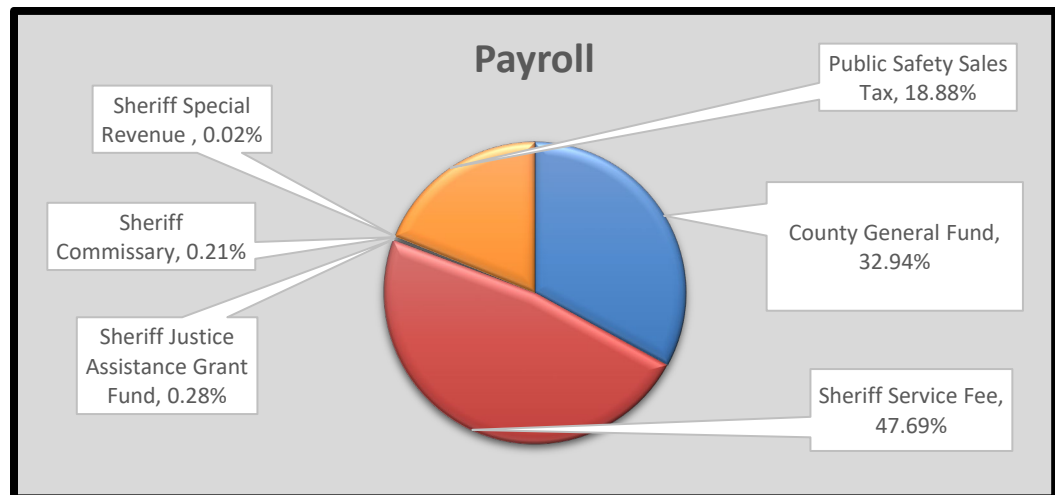
- One hundred nineteen (119) purchase orders were cancelled totaling \$571,068.
- Ten (10) purchase orders were not cancelled and fully paid to vendor totaling \$5,972.
- Forty-seven (47) purchase orders were not cancelled and partially paid to the vendor and have an outstanding balance totaling \$64,317.

Objective 4 | Payroll Expenditures

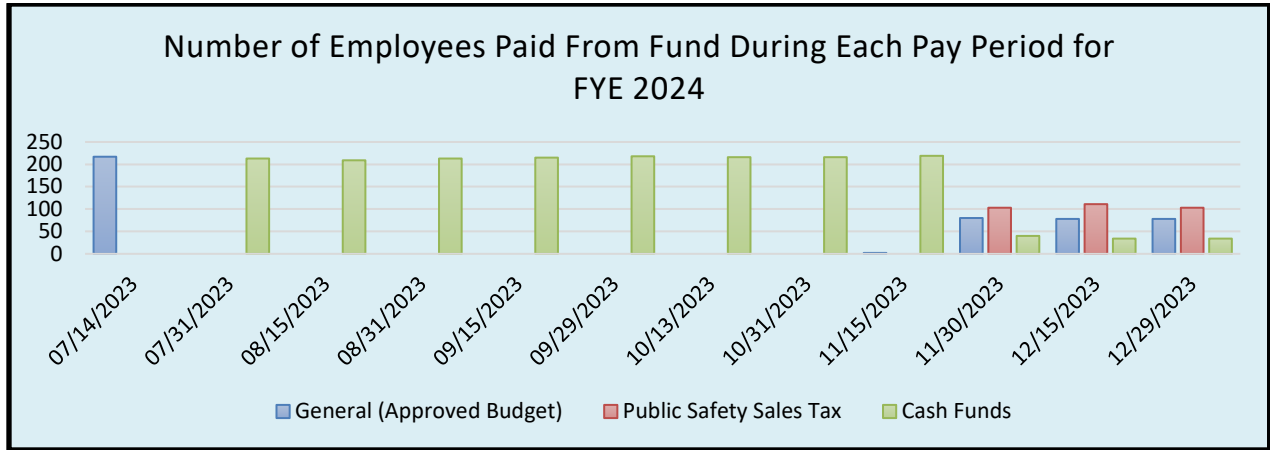
- Objective 4** **Review payroll data for the specified period to ascertain:**
- a. which funds were used to meet payroll;**
 - b. whether those funds were available for payroll purposes;**
 - c. if payroll obligations were met retroactively, such as providing retroactive raises to employees.**

Objective 4 – a. Review payroll data for the specified period to ascertain which funds were used to meet payroll.

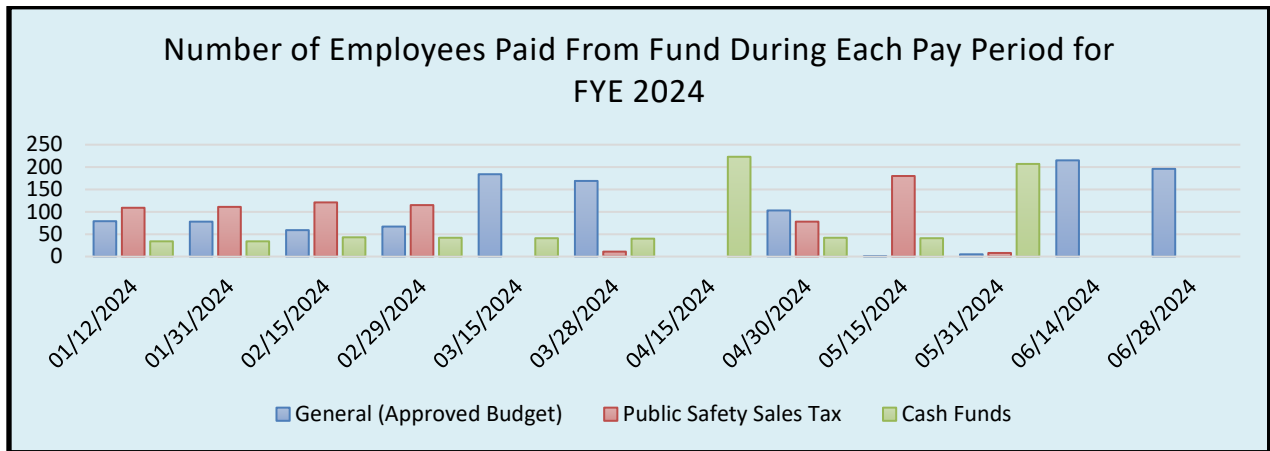
The CCSO used six different funds to pay payroll in FY24. However, three of the funds make up 99% of the payroll expenses. The three main funds used were the County General Fund, Sheriff Service Fee, and Public Safety Sales Tax. The other three funds make up less than 1% of the total payroll expenses. These three funds were Sheriff Justice Assistance Grant Fund, Sheriff Commissary, and Sheriff Special Revenue.



Cleveland County processes payroll bi-monthly. The following is a breakdown of the number of employees paid out of each fund for each payroll period of FY24. The first Graph and Chart cover the first half of FY24, and the second Graph and Chart cover the second half of FY24.



Number of Employees Paid From Each Fund During Each Pay Period of FYE 2024												
County General - 100 (Budgeted Appropriations)	217								2	80	78	78
Public Safety Sales Tax - 209 (Approved by CCJA)*										103	111	103
Sheriff Service Fees - 116 (Cash Fund)		213	209	213	215	218	216	216	219	40	34	34
Sheriff Justice Assistance Grant - 117 (Cash Fund)												
Sheriff Commissary - 204 (Cash Fund)												
Sheriff Revenue Fund - 208 (Cash Fund)												
Total Paid in Pay Period	217	213	209	213	215	218	216	216	221	223	223	215
Pay Date	7/14/2023	7/31/2023	8/15/2023	8/31/2023	9/15/2023	9/29/2023	10/13/2023	10/31/2023	11/15/2023	11/30/2023	12/15/2023	12/29/2023



Number of Employees Paid From Each Fund During Each Pay Period of FYE 2024												
County General - 100 (Budgeted Appropriations)	79	78	59	67	184	169		103	5	215	196	
Public Safety Sales Tax - 209 (Approved by CCJA)*	109	111	121	115		11		78	180	8		
Sheriff Service Fees - 116 (Cash Fund)	34	34	43	42	41	40	223	42	41	179		
Sheriff Justice Assistance Grant - 117 (Cash Fund)										16		
Sheriff Commissary - 204 (Cash Fund)										11		
Sheriff Revenue Fund - 208 (Cash Fund)										1		
Total Paid in Pay Period	222	223	223	224	225	220	223	223	222	220	215	196
Pay Date	1/12/2024	1/31/2024	2/15/2024	2/29/2024	3/15/2024	3/28/2024	4/15/2024	4/30/2024	5/15/2024	5/31/2024	6/14/2024	6/28/2024

Objective 4 – b. Review payroll data for the specified period to ascertain whether those funds were available for payroll purposes.

The CCSO used six different funds to meet payroll.

1. County General Fund - The Oklahoma Constitution and the Oklahoma State Statutes authorize counties to create a county general fund, which is the county's primary source of operating revenue. The county general fund is typically used to pay most county employees' salaries plus many expenses for county maintenance and operation. It also provides revenue for various budget accounts and accounts that support special services and programs. That being said, Cleveland County Sheriff does have a budgeted account in County General fund appropriated by the Budget Board which can be used for different purposes including payroll.
2. Sheriff Service Fee – This fund is for the collection of fees and reimbursements for revenues such as process fees, courthouse security, contracts for housing and feeding prisoners. Per state statute 19 O.S. § 514.1, the monies shall be expended by the sheriff in the lawful operation of his office.
3. Public Safety Sales Tax - On November 12, 2019, the voters of Cleveland County approved a one-eighth (1/8) of one percent sales tax on gross receipts or proceeds of certain taxable sales within Cleveland County effective April 1, 2020 for a twenty (20) year term; the proceeds of said tax to be utilized for the funding of the following County Public Safety services: operations, programs, equipping, maintenance, repairs and renovations, as necessary, to the Cleveland County Justice Facility, including renovations or new construction, construction, maintenance, operations and programming for the Cleveland County Juvenile Detention facilities and Cleveland County sobering facilities as approved by the Board of County Commissioners; salaries, staffing and training expenses for Cleveland County Sheriff's Deputies; providing grants to fire departments and other emergency responders serving Cleveland County as approved by the Board of County Commissioners; providing funds to the emergency management systems serving Cleveland County; authorizing the pledging of the sales tax for debt service on any financing and cost of issuance on public safety facilities.
4. Sheriff Justice Assistance Grant Fund – This fund is used to pay any cost reasonably attributable to that government's operation of a "correctional facility" for its own use, such as:
 - a. Salaries and wages paid to employees who work primarily and directly in the "correctional facility" regardless of whether those employees are "correctional officers."
 - b. Costs of employment benefits provided to (or on behalf of) employees who work directly in and for the "correctional facility."
 - c. The reasonably allocable portion of the salaries, wages, and benefits paid to employees who, although not primarily and directly working in and for the "correctional facility," provide necessary services either to the "correctional facility" (e.g., administrative support) or the individuals "incarcerated" in the "correctional facility" (e.g., medical care, transportation).

5. Sheriff Commissary Fund – This fund is revenue from selling goods to prisoners incarcerated in the County jail. The revenue is to be used to improve and provide jail services. The Sheriff may also use any surplus of this fund not needed for jail purposes for administering expenses for training equipment, travel, or for capital expenditures. See 19 O.S. § 180.43 (D).
6. Sheriff Special Revenue - This fund is created for monies received and disbursed for the operation of the Jail.

Objective 4 – c. Review payroll data for the specified period to ascertain if payroll obligations were met retroactively, such as providing retroactive raises to employees.

During the audit period, there was an issue within the CCSO providing the CCSO finance department with payroll change forms when employees were promoted or given pay raises. This resulted in retroactive raises given to employees to receive the pay they had earned. Without having a detailed budget calculating the Sheriff's payroll needs, the CCSO approved retroactive pay raises to employees during FY24. Then in February 2024 requested funds to meet payroll obligations. There were 28 employees who received the retroactive pay raises totaling \$37,208. Of the employees who received raises, 15 of the employees worked for the Detention Center and received raises totaling \$18,724, and 13 of the employees worked for other areas of the CCSO and received raises totaling \$18,483. Many of these retroactive raises were given to individuals in upper management and administrative positions.

New Positions

In addition to the objectives noted above, while OSAI was reviewing the Sheriff's payroll, it was noted that the CCSO had created four new positions in FY24. The 4 new positions were as follows:

- Network Support Technician – Position created in November 2023 – This position was paid a total amount of \$40,118.01.
- Professional Standards Director – Position created in November 2023 – This position was paid a total amount of \$56,477.14.
- Public Information Specialist – Position created in November 2023 – This position was paid a total amount of \$66,431.62.
- Fleet Technician – Position created in July 2023 – This position was paid a total amount of \$70,578.80.

All newly created positions should go through the county Excise Board for approval. OSAI reviewed all FY24 Excise Board minutes and there was no evidence of approval of the newly created sheriff positions. Title 19 O.S. § 180.65 A states, *“The officers named in paragraph 1 of Section 180.61 of this title shall have such number of regular or technical deputies, assistants, investigators, evidence persons, aides, stenographers or reporters, technicians, undersheriffs, jailers, matrons, handwriting and fingerprint experts, probation officers, juvenile officers, bailiffs or other help, whatever title the principal officer may ascribe to the duties or functions to be performed as authorized by law and clearly related to the proper accomplishment of lawful functions, whether on whole or part-time basis, at such rates of salary or pay, subject to the provisions of this section as hereinafter set forth, as the principal officer may propose and establish the need of and which the county excise*

board may approve, for the adequate accomplishment of the functions of the office and the performance of the duties imposed thereon by law, with due weight being given to employment on whole or part-time basis. However, no such employments shall exceed the amount of lawful funds appropriated for such purpose, provided however, nothing in this section shall be interpreted to prohibit additional salary payments or stipends paid from the Sheriff's Service Fee Account.”

Turnover

While reviewing payroll, OSAI noted that there were a large number of turnovers at the CCSO. Out of the 291 CCSO employees that worked at some point in FY24, 88 of them no longer worked for the CCSO by the end of FY24. That is a 30% turnover rate. When looking at only Detention Center employees, there were a total of 149 employees that worked at some point in FY24 and 56 of them no longer worked for the CCSO by the end of FY24. That is a 38% turnover rate for the Detention Center.

	Detention Center Employees	Other Sheriff's Office Employees
Employed the Whole Year	68	91
Hired in Fiscal Year	25	19
Hired in Fiscal Year and Left	13	14
Left in Fiscal Year	43	18

The turnover amounts listed above resulted in Compensatory Time payouts of \$3,623 and Vacation Payouts of \$201,400.

Leave Balances

While reviewing leave balances for the CCSO, it was noted that due to turnover in financial positions, leave balances for May 2024 and June 2024 were not completed timely. The CCSO did not review and sign off on final leave balance numbers for these two months until October 22, 2024. This happened during a year when the CCSO had already had to request additional funds and the turnover rates at the CCSO could cause additional liability that was not anticipated by the CCSO.

Objective 5 | Contracts and Expenses

Objective 5 Review contracts, lease/purchase agreements, utility bills, and subscription/membership expenses to ensure proper encumbrances and accounted for.

The CCSO contracts with many different companies and political subdivisions to obtain and provide various types of services. Title 19 O.S. § 3 discusses the County's powers exercised by the BOCC which states, *“It is hereby declared to be contrary to law, and against public policy, for any individual county commissioner, or commissioners, when not acting as a board, to enter into any contract, or to attempt to enter into any contract, as to any of the following matters:*

- (a) Any purchase of equipment, machinery, supplies, or materials of any kind for any county or any commissioner's district, or districts, thereof;*

(b) Any contract or agreement relating to or for the leasing or rental of any equipment, machinery, supplies or materials for any county or any commissioner's district, or districts, thereof;

(c) To do or transact any business relating to such county, or any commissioner's district, or districts thereof, or to make any contract or agreement of any kind relating to the business of such county, or any commissioner's district, or districts thereof;

And none of such acts or attempted contracts as above set forth, done or attempted to be done, by an individual county commissioner or commissioners, when not acting as a board, shall ever be subject to ratification by the board of county commissioners, but shall be illegal, unlawful, and wholly void.

Provided that nothing herein shall be construed as prohibiting or preventing the chairman of the board of county commissioners from performing such duty or duties as he may be required by law to perform as chairman of such board, but only after the board, by a majority vote thereof, shall have authorized and directed such performance by said chairman.”

All contracts must be encumbered at the time the County enters the contract. Title 62 O.S. § 310.2 states, *“The clerk of each county or encumbering officer of the municipality shall keep a record in such form as prescribed by the State Auditor and Inspector in which shall be kept an exact account of each appropriation as made by the county excise board as departmentalized for each department of government or as made by the municipal governing body as authorized by law. The amount and purpose of each purchase order or contract shall be charged against the appropriation as made by the excise board or governing body at the time purchase is made or contract let and the balance in the appropriation account after such charges are deducted shall constitute the unencumbered balance available. No purchase order shall be paid until approved by the officer, board or commission having charge of the office or department for which the appropriation is available and from which such payment is proposed to be made, provided that no indebtedness for any purpose shall be incurred in excess of the appropriation for that purpose and provided that the county and municipal officers referred to herein are made responsible on their official bond for any and all indebtedness incurred by them. Each county or municipal officer in charge of a department or appropriation account shall be allowed to incur indebtedness against all appropriations within his department under the regulations as provided for herein, except when otherwise provided by law; and provided further, that only those municipal officers and employees designated by the governing board shall have authority to obligate the municipality.”*

All contracts, no matter the length, must be renewed and approved by the BOCC each year. Title 62 O.S. § 479A states, *“It shall be unlawful for the board of county commissioners, the county purchasing agent, the city council or the commissioners of any city, the trustees of any town, township board, or any member or members of the aforesaid commissioners, or of any of the above-named boards, to willfully or knowingly make any contract for, incur, acknowledge, approve, allow or authorize any indebtedness against their respective city, town or county or authorize it to be done by others, in excess of the estimate made and approved by the excise board for such purpose for the current fiscal year, or in excess of the specific amount authorized for such purpose by a bond issue.”*

Professional Services and Lease-Purchase Contracts – The County is the Payee

The CCSO contracts with many different companies to obtain various types of services. The CCSO also enters into lease purchase agreements. These agreements are contracts that allow the CCSO to rent or make payments on a particular piece of equipment or vehicle with the option to purchase the item at the end of the lease term. The CCSO utilized the lease agreements to obtain vehicles.

Finding *While reviewing fifty-one (51) professional service and lease-purchase contracts, we noted the following:*

- *There were six (6) contracts that did not have payments made in FY24 that should have been made per the contract/lease agreement in the amount of \$394,207.*
- *There were twenty-three (23) contracts that the BOCC did not approve until after the contract start date.*
- *There were twenty-one (21) contracts that were not encumbered until after the contract start date.*
- *There were five (5) contracts that were not presented to the BOCC for approval at all.*

Sheriff Service Contracts – The County is the Payor

The CCSO also enters into contracts with other political subdivisions to provide services for payment. The two main types of these contracts that the CCSO utilized in FY24 were School Resource Officer (SRO) contracts and Housing of Prisoner contracts. The SRO contracts are where the CCSO has deputies stationed at schools to ensure the safety of the students and faculty and provide campus security. The Housing of Prisoner contracts are where the CCSO allows other political subdivisions to house their prisoners in the county jail for a daily charge.

SRO Contracts

Finding *While reviewing six (6) SRO contracts, we noted the following:*

- *One (1) SRO contract was not approved by the BOCC before the contract start date.*
- *One (1) invoice was sent to Norman Public Schools in the amount of \$700,000 and later the BOCC entered into a Settlement Agreement in the amount of \$200,000.*

The CCSO invoiced Norman Public Schools on April 10, 2024 for SRO salary reimbursement. There was no written contract between the two parties however, OSAI was informed there was a verbal contract between the CCSO and Norman Public Schools. On June 24, 2024, the BOCC entered into the Settlement Agreement with the Norman School District and agreed to a lump sum amount of \$200,000 as payment in full for any and all SRO services provided by the CCSO during FY24.

Billed To Norman Public Schools- Admin Building 131 S FLOOD AVE NORMAN, OK 73069		
Reference		
Invoice #	12024-01488	
Invoice Date	4/10/24	
Due Date	5/10/24	
Item	Amount Owed	Amount Paid
HQ SRO Salary Reimbursement	\$700000.00	\$0.00
	Total Owed	\$700000.00
	Total Paid	\$0.00
	Uncollectible	\$0.00
	Remaining	\$700000.00
Comments Invoice for \$700,000.00, or any other amount set aside by NPS for their SRO program.		

WHEREFORE, in consideration of the mutual covenants and conditions contained herein and intending to be legally bound, the parties agree as follows:

1. **Payment.** BOCC shall be paid a lump sum payment in the amount of Two Hundred Thousand Dollars (\$200,000.00) as payment in full for any and all SRO services provided by CCSO's deputies at the District's elementary sites during the 2023-2024 fiscal year (July 1, 2023 – June 30, 2024).

Finding Housing of Prisoners
While reviewing four (4) Housing of Prisoner contracts, the following was noted:

- *Two (2) Housing of Prisoner contracts originated in FY23 and automatically renewed but were not approved to renew by the BOCC for FY24.*

Memorandum of Understandings
 Another type of contract the CCSO enters is a Memorandum of Understanding (MOU). MOUs are agreements between two entities where the two entities work together to achieve a common goal. Normally, no funds exchange hands in these agreements.

Finding *While reviewing seven (7) MOUs, it was noted that three (3) of them were not approved by the BOCC.*

Vehicles
 In addition to the work performed over contracts, while reviewing the contracts, it was noted that the CCSO leased and purchased multiple vehicles in FY24. Based on this, OSAI gathered and reviewed additional information over the CCSO vehicles. In FY24, the CCSO purchased seventeen (17) vehicles totaling \$511,436. In addition to purchasing seventeen (17) vehicles, the CCSO had lease purchase agreements in place for twenty-three (23) vehicles. Thirteen (13) of these lease purchases began in FY23 and had required payments in FY24 per lease purchase agreements with payments totaling \$271,452 which were paid with Sheriff Bailout Funds set aside by the Budget Board. However, the CCSO did not make these payments until FY25. Ten (10) of the lease purchases were obligated in FY24 but payments were not required until FY25 with payments totaling \$279,773.

During the period when the CCSO had a budget shortfall, forty (40) vehicles were purchased out right and lease purchase agreements obligated totaling \$1,062,661. These lease purchase agreements were approved by the BOCC and included a clause that states in part, “in the event that the Lessee determines that sufficient funds have not been appropriated to make the payments required under the terms of this agreement, the obligations of the Lessee under this agreement shall terminate.” which the county could have terminated the agreement since funds were not available.

Objective 6 | Jail Financial Operations

Objective 6 Examine the financial operations of the jail to determine whether its expenditures align with its revenue sources. Additionally, compare staffing levels for FY24 versus FY20 and confirm that all expenses were properly accounted for and encumbered on a timely basis, according to purchasing statutes.

Examine the financial operations of the jail to determine whether its expenditures align with its revenue sources.

OSAI reviewed fifty (50) expenditures to determine if they aligned with the revenue sources. The fifty (50) expenditures were from the following funds: Sheriff Commissary, Public Safety Sales Tax, Sheriff Grant, and the Sheriff Service Fee. OSAI reviewed the expenditures from accounts within each fund whose descriptions indicated they were to be used for the operation of the jail.

Finding *OSAI noted two (2) expenditures, totaling \$38,463, that were spent out of accounts to be used for the operation of the jail but were partially for the operation of the jail and partially to pay for other areas of the CCSO. Of the two (2) expenditures, one (1) was for a Verizon Wireless phone bill and one (1) was for the purchase of Ballistic Vests.*

In addition, payroll for each Sheriff fund was tested in Objective 4. OSAI reviewed the salary payments to determine salaries and wages for the various job descriptions were paid from the appropriate funds. See Objective 4 for the results.

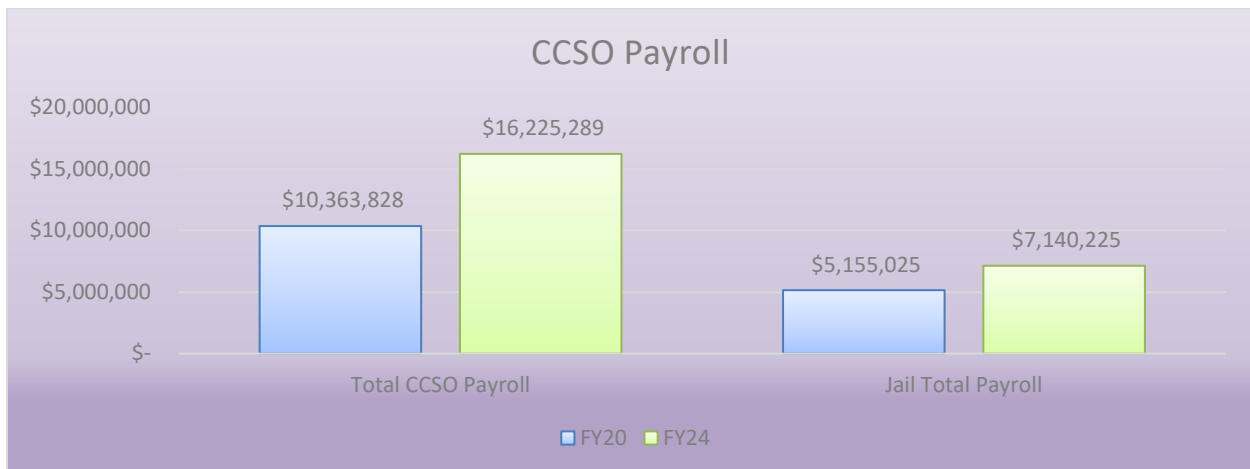
Compare staffing levels for FY24 versus FY20

The staffing levels at the Cleveland County Jail have increased from FY20 to FY24. The jail averaged one hundred three (103) jail employees in FY20. This number comes from the job titles listed in the chart below. In FY24, this number was up to one hundred seven (107). The increase from FY20 to FY24 was primarily due to the increase in Administration and Detention Deputies. The CCSO informed OSAI that there were employees that could work in many areas of the CCSO, including detention and other areas of the CCSO depending on the need at the time. The CCSO did not change the job titles of these employees every time they moved from one area to the other. OSAI took this information into consideration when compiling the FY24 numbers. OSAI did not make these same considerations when compiling the FY20 numbers due to the difficulty of time passed since FY20. CCSO also had some employees that OSAI titled “Agency-Wide.” These employees worked for all the CCSO, and percentages of their payroll was attributed to detention or other areas of the CCSO. In FY20, the jail averaged seventy-one (71) detention officers. In FY24, there were only an average of thirty-nine (39). This decrease was partly due to the CCSO utilizing deputies in FY24 to perform detention officer duties.

Job Title	FY24	FY20
Administration	17	8
Detention Captain	4	1
Detention Chief Deputy	1	0
Detention Deputy	12	0
Detention Lieutenant	7	3
Detention Corporal	0	3
Detention Major	3	0
Detention Officer	39	71
Detention Sergeant	4	4
Transport Captain	1	0
Transport Deputy	8	7
Transport Lieutenant	1	1
Transport Sergeant	0	1
Warrants Clerk	2	2
Warrants Supervisor	1	1
Detention Training Coordinator	0	1
Detective	3	0
Agency-Wide	4	0

*The numbers above are a yearly average of the total employees each month.

The overall Sheriff's payroll expenses increased 57% from FY20 to FY24 from \$10,363,828 to \$16,225,289. The jail payroll expenses increased 39% from \$5,155,025 to \$7,140,225. The jail payroll expenses made up 50% of the total payroll expenses in FY20. In FY24, the jail payroll expenses made up 44% of the total payroll expenses.



Additionally, OSAI reviewed the staffing data to determine if there were any employees moved between the Detention Center and other CCSO departments in FY20 to FY24 or only in FY24. See the analysis of the data below.

While reviewing the staffing levels between FY20 and FY24, OSAI also noted that there were ten (10) employees that worked in the Detention Center in FY20 which moved to working in other areas of the CCSO by FY24. OSAI also noted that there were four (4) employees that worked in other areas of the CCSO in FY20 and worked in the Detention Center by FY24.

While reviewing the staffing levels for only FY24, OSAI noted that there were twelve (12) employees who started the year working for other areas of the CCSO which were moved to the Detention Center during the year. There were also four (4) employees that worked for the Detention Center which were moved to other areas of the Sheriff's office during the year.

Based on the staffing levels comparison, the CCSO appears to have tried to move employees from other areas of the CCSO to the Detention Center in FY24. However, based on employee turnover and job descriptions, OSAI was unable to determine if the effort made was able to meet jail staffing levels.

Confirm that all expenses were properly accounted for and encumbered on a timely basis, according to purchasing statutes.

In Objective 3, OSAI tested a sample of one hundred twenty (120) expenditures to determine if they were properly encumbered. This included a selection from all Sheriff's office funds. See Objective 3 for more information.

Justice Authority Direct Payments

While reviewing the financial operations of the jail, it was noted that there were CCSO invoices that were paid directly by the Cleveland County Justice Authority (CCJA). There were forty (40) direct payments made totaling \$420,132. Included in these payments were thirteen (13) payments to a vendor who had a contract with Cleveland County to perform services, yet the payments were paid from the CCJA. All of these invoices were for expenses related to the jail.

Even though the jail expenditures appear to be allowable, this activity is not reflective in the funds to the Sheriff since the funds were not deposited into county funds and expended and approved by the BOCC. OSAI was informed through interviews that the CCSO was denied the opportunity to request items to be placed on the CCJA agenda. OSAI did obtain supporting documentation in FY25 in which the CCSO was denied requests for items to be placed on the agenda. This appears to have resulted in additional confusion of the CCSO budget issues. It does not appear that the CCSO was made aware of the exact amount that the Justice Authority would approve towards the jail expenditures.

OSAI recommends that CCJA work with CCSO to prepare a detailed budget of expenses for the year that will be paid directly from CCJA so that there is no confusion on whose responsibility it is, the CCSO or CCJA, to pay certain expenditures.

Appendix 1

CCSO Requests for Additional Funds/Budget Board Meeting Minutes

Between February 2024 through June 2024, CCSO made numerous requests to the Budget Board for additional funding. The following are various accounts from Budget Board minutes, letters sent to Budget Board members, or emails detailing the CCSO's need for additional funds in excess of the amount budgeted to them.

- On February 26, 2024, the Cleveland County Budget Board voted and approved a transfer in the amount of \$1,300,000 from General Government Capital Improvement fund to the Sheriff's General Fund.
- On March 11, 2024, the Budget Board voted and approved to receive the report presented by CCSO per request of the Budget Board on February 12, 2024. The report concluded that the CCSO needed the following funds to make it until the end of the fiscal year:
 - Salaries - \$5,446,840.16
 - Operations - \$756,912.41
 - Jail - \$1,671,383.98
- On March 13, 2024, CCSO alerted the BOCC that a Special Budget Board meeting would be needed to provide the necessary funds to process CCSO payroll for April 1, 2024.
- On April 1, 2024, CCSO's legal counsel sent a letter to the Budget Board requesting \$3,775,653 to meet its obligations for the remainder of the current fiscal year. The amount breakdown is as follows:
 - Six remaining pay periods: $\$560,259 \times 6 = \$3,361,554$
 - Currently outstanding bills: \$414,099
 - Total \$3,775,653 ($\$3,361,554 + \$414,099$)

This specific request was not listed on the April 8th Budget Board Agenda as stated in the letter from counsel. Further, there is no evidence of this request being approved by the Budget Board.

- On April 17, 2024, CCSO's legal counsel sent a letter to Commissioner Rod Cleveland requesting the BOCC, Excise Board, and Budget Board authorize a transfer of appropriations from a fund with a surplus to the Sheriff's General Fund in the amount of \$575,000. Counsel for Sheriff Chris Amason is making this request because current revenues available for the Sheriff will be insufficient to pay his office's payroll and the need is immediately urgent.
- On April 22, 2024, the Budget Board voted and approved a transfer in the amount \$275,000 from the Cleveland County Capital Reserve account to the Sheriff General Revenue account. Although the amount requested from CCSO's legal counsel was \$575,000, Budget Board Chairman Rod Cleveland, stated the Justice Authority has already approved \$250,000. The CCSO did not receive the original amount requested. Upon review of the minutes, the CCSO received \$525,000 in total from between the Budget Board and CCJA.
- On April 25, 2024, the Budget Board voted and approved a transfer in the amount of \$275,000 from Cleveland County Capital Reserve to Sheriff General Revenue Account. OSAI noted this item was approved three days prior in the April 22nd Budget Board meeting however, it appears the

amount was only transferred once. Further, we noted that two board members voted yes on the 22nd and no on the 25th with two board members being absent from the meeting on the 25th. OSAI recommends the District Attorney opine from a legal standpoint if in fact the additional transfer was legal and should have been transferred on the 25th.

- On April 25, 2024, the Budget Board voted and approved a cash fund appropriation from the CCJA to the Public Safety Sales Tax fund in the amount of \$250,000.
- On May 3, 2024, CCSO's legal counsel sent a letter to Commissioner Rod Cleveland requesting the BOCC, Excise Board, and Budget Board authorize a transfer of appropriations from a fund with a surplus to the Sheriff's General Fund in the amount of \$575,000. Counsel for Sheriff Chris Amason is making this request because current revenues available for the Sheriff will be insufficient to pay his office's payroll and the need is immediately urgent.
- On May 13, 2024, the Budget Board voted and approved emergency appropriations to the CCSO from the Public Safety Sales Tax in the amount of \$575,000 as a bailout payment.
- On May 16, 2024, CCSO received an email from the payroll department requesting which funds to pay employees from due to inadequate funds being available for the May 1, 2024 through May 15, 2024 payroll cycle. They responded to the payroll department stating CCSO continues to work through its legal counsel with these budget matters.
- On June 10, 2024, the Budget Board voted and approved a transfer in the amount of \$2,205,000 from the General Government Capital Outlay to the General Sheriff Bailout Fund. Additionally, there was a transfer from the Commissioners General Government to the General Sheriff Bailout Fund in the amount of \$1,000,000. The two transfers totaled \$3,205,000. Of this transfer, \$1,300,000, was to be used to pay back the temporary transfer that was approved on February 26, 2024. Pursuant to Title 68 O.S. § 3021 this temporary loan was to be repaid by the end of the fiscal year. We found no evidence of this temporary loan being repaid.

DISCLAIMER

By the issuance of this report, the Office of State Auditor & Inspector has no intent to determine the guilt, innocence, culpability, or liability, if any, of any person or entity for any act, omission, or transaction reviewed. Such determinations are within the exclusive jurisdiction of regulatory agencies, and law enforcement, prosecutorial, and/or judicial authorities designated by law.

O·K·L·A·H·O·M·A
S·A·I
STATE AUDITOR & INSPECTOR



Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov