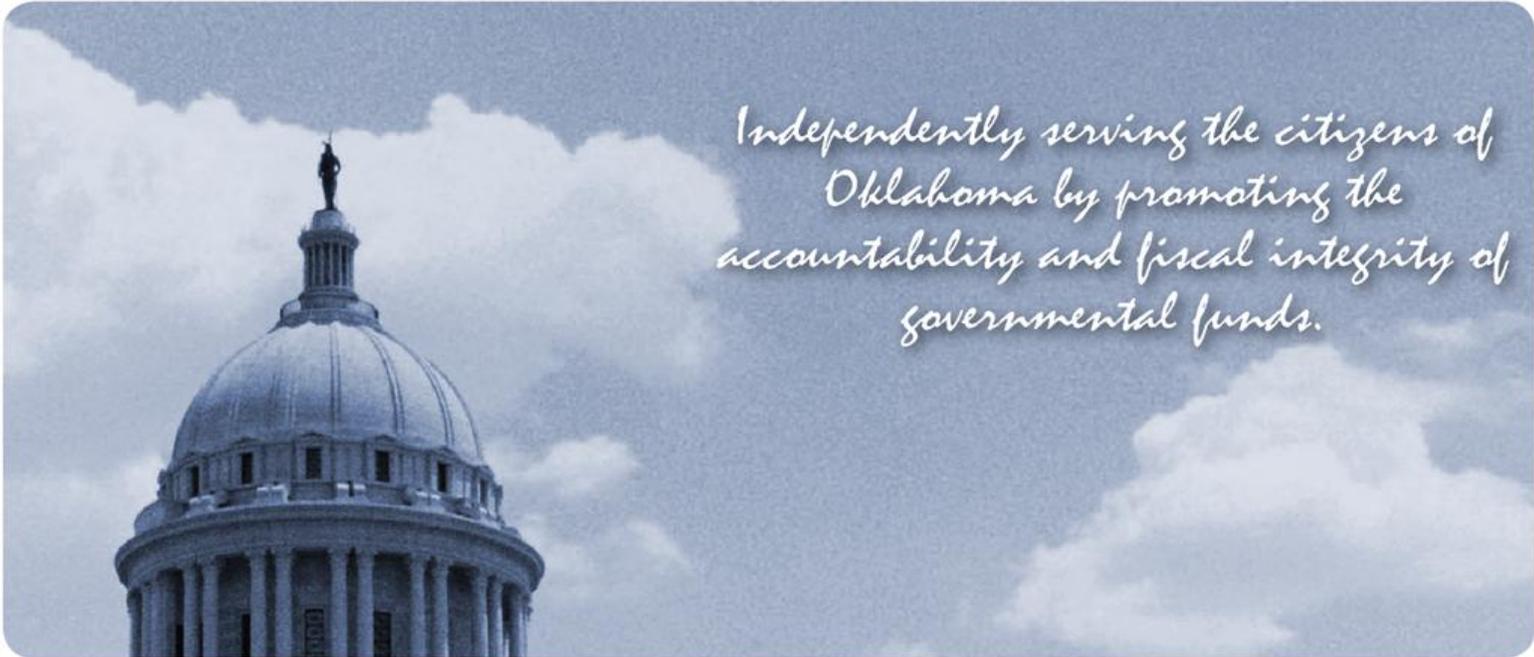


STATUTORY REPORT

CREEK COUNTY SHERIFF TURNOVER

January 5, 2017



*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

**COUNTY OFFICER TURNOVER STATUTORY REPORT
BRET BOWLING
CREEK COUNTY SHERIFF
JANUARY 5, 2017**

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Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

February 16, 2017

BOARD OF COUNTY COMMISSIONERS
CREEK COUNTY COURTHOUSE
SAPULPA, OKLAHOMA 74066

Transmitted herewith is the Creek County Officer Turnover Statutory Report for January 5, 2017. The engagement was conducted in accordance with 19 O.S. § 171.

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 that reads "Gary A. Jones".

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



Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

Bret Bowling
Creek County Sheriff
Creek County Courthouse
Sapulpa, Oklahoma 74066 zip code

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for January 5, 2017:

- Verify that equipment items on hand agree with inventory records maintained per 19 O.S. § 178.1.
- Verify that the amount of total claims approved for the operation of said Office is not in excess of limitations imposed by 19 O.S. § 347.
- Verify that a monthly report of the Office is on file with the County Clerk per 19 O.S. § 684.
- Verify that the Office is not exceeding the maximum amount of cash authorized for their change needs per 19 O.S. § 682.
- Verify that the Officers' depository account balances reconcile with the County Treasurer's records and that undeposited cash reconciles to receipts.
- Verify that the Inmate Trust Ledgers are reconciled to the Bank Statement.
- Verify that the Sheriff maintains an evidence locker log and that the entrance to the evidence locker is restricted. Document who has access (keys or combination) to the evidence locker.
- Verify that the Sheriff maintains a log of all county owned weapons and to whom they are issued.

Information addressed in this report is the representation of the respective county officer.

Our county officer turnover engagement was limited to the statutory procedures described above and was less in scope than an examination or audit performed in accordance with auditing standards generally accepted in the United States of America, the objective of which would be the expression of an opinion. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely for the information and use of the management of the County and should not be used for any other purpose. This report is also 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.

A handwritten signature in blue ink that reads "Gary A. Jones". The signature is written in a cursive style with a large initial "G" and a long horizontal stroke at the end.

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

February 6, 2017

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2017-1 - Inadequate Internal Controls and Noncompliance Over Fixed Assets Inventory

Condition: Upon inquiry of County personnel, observation of fixed assets, and test of inventory records, we noted the following exceptions:

- There were no records indicating when the last physical inventory verification of fixed assets was performed or filed with the County Clerk.
- The resolution for disposing of a 2003 Chevy Impala could not be located.
- Of the 590 items listed in inventory:
 - No items were marked with an inventory tag.
 - Twenty-seven (27) items were not included on the fixed assets inventory record.
 - The following thirteen (13) items could not be located.
 - Laptop Computer CF29 ToughBook 6AKYB68654
 - Light Bar Star Sabre 5420H
 - Light Bar Star Sabre 50433 Item #0175
 - Light Bar Star Sabre 50453 Item #0217
 - Light Bar Star Sabre 5420H Item # 0223
 - Point Blank Vest 1300015338960 Item # 0632
 - Point Blank Vest 130003016803 Item # 0636
 - Point Blank Vest 15000193520 Item # 0671
 - Point Blank Vest 150000240944 Item # 0674
 - X-26 Taser X00413747 Item # 0078
 - X-26 Taser X00413893 Item # 0100
 - Streamlight Flash Light In Car Item # 0509
 - Body Armor – Second Chance F07103687 Item # 0122

Cause of Condition: Policies and procedures have not been adequately designed and implemented by the County to ensure the accurate reporting of fixed assets and consumable inventory items, as well as adequate procedures to ensure equipment is properly identified in accordance with state statutes.

Effect of Condition: These conditions resulted in noncompliance with state statutes. Opportunities for loss and misappropriation of county assets may be more likely to occur when the County does not have procedures in place to account for fixed assets.

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends management implement internal controls to ensure compliance with Title 19 O.S. § 178.1, and 69 O.S. § 645.1 by

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BRET BOWLING
CREEK COUNTY SHERIFF
JANUARY 5, 2017

maintaining inventory records and marking assets with county identification numbers. Further, yearly verifications of fixed asset items should be filed with the County Clerk.

OSAI also recommends management implement policies and procedures to ensure compliance with 19 O.S. § 421.1 regarding the disposition of County property with an original cost exceeding \$500.

Management Response:

Incoming Sheriff: The normal practices and procedures that led to the results of this audit occurred before I took office on January 3rd, 2017. The Creek County Sheriff's office has a Policy and Procedure mandating Inventory and Control of Agency Property dated July 15, 2013 approved and signed by outgoing Sheriff. The policy required Administrative Services to maintain property inventory having value of \$50 (fifty dollars) or more and property with a value of \$250 (two hundred fifty dollars) or more be tagged with a numbered sequence according to type. We will update the policy to comply with State Law. We will also prepare and present to the Board of County Commissioners (BOCC) a resolution for the items not located in the audit.

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

Title 19 O.S. § 178.1 states in part: "The board of county commissioners in each county of this state shall take, or cause to be taken, an inventory of all working tools, apparatus, machinery and equipment belonging to the county or leased or otherwise let to it or to any department thereof, other than that which is affixed to and made a part of lands and buildings, the cost of which as to each complete working unit thereof is more than Five Hundred Dollars (\$500.00), and therefore maintain or cause to be maintained a continuous inventory record thereof and of like tolls, apparatus, machinery and equipment purchased, leased, or otherwise coming into custody of the county or of any office, board, department, commission or any either thereof, and the disposition thereof whether sold, exchanged, leased, or let where authorized by statute, junked, strayed or stolen, and annually thereafter, or oftener in the event of death, resignation or removal of an elective officer with a term, to verify or cause to be verified by count and report of the same as of the end of a term of office.."

Title 69 O.S. § 645, all county owned, rented, or leased road machinery or equipment be clearly and visibly marked "Property Of..."

Title 19 O. S. § 178.2, It shall be and is hereby made the duty of every county officer, board, commission, or department, and by record directive of the board of county commissioners may be made the duty of any employee of the board of county commissioners subject to summary discharge and removal by the board, to conform in all respects and be amenable to all uniform resolutions adopted by their respective boards of

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county commissioners directing the taking, recording, maintaining and reporting inventories of properties in their respective custody in accordance with the provisions of this act. It shall be the duty and responsibility of each elected county official to create and maintain inventory records of said office. Such inventory shall be filed with the county clerk.

Title 19 O.S. § 421 states “From and after the effective date of this act, each board of county commissioners of the several counties in the state shall within thirty (30) days after the disposition of any tools, apparatus, machinery, and equipment belonging to the county or leased or otherwise let to it or any department thereof, the original cost of which is more than Five Hundred Dollars (\$500.00), whether sold, exchanged, junked, leased or let where authorized by statute, shall enter, or cause to be entered, in the minutes of the proceedings of the board the fact of such disposition, including complete description of item, serial number, the date property was acquired, the name and address of the person or firm from whom property was acquired, the cost price at time of acquisition or contract price if acquired under lease-rental agreement, the date of disposition, the name and address of the person or firm to whom property transferred, the price received therefor and the reason for disposition.”

Finding 2017-2 - Inadequate Internal Controls and Noncompliance Over Monthly Fee Report and Reconciliation Process

Condition: The monthly fee report filed with the Board of County Commissioners does not reflect monies received by the officer. The monthly report should include an itemized statement of the amount and purpose of all vouchers issued and details of all transfers. Therefore, the monthly balance was not reconciled to the County Treasurer’s balance.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure that the County Sheriff’s official depository accounts are reconciled to the County Treasurer’s official depository ledger and to ensure the report is filed with the Board of County Commissioners.

Effect of Condition: This condition resulted in noncompliance with state statute and could result in inaccurate reports or incomplete records.

Recommendation: OSAI recommends the County Sheriff’s fund balances be reconciled to the County Treasurer’s official depository ledger, signed by the Sheriff, and filed with the Board of County Commissioner’s in accordance with 19 O.S. § 684.

Management Response:

Incoming Sheriff: The normal practices and procedures that led to the results of this audit occurred before I took office on January 3rd, 2017. At that time, the Sheriff’s Office had an instructional manual that directed employees on the procedure for Monthly Reports and Reconciliation Process. We are

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currently working with the County Clerk and County Treasurer to ensure the accounts are reconciled. We will develop a Policy and Procedure and utilize our operating system in order to comply with Title 19 O.S. § 684.

Criteria: Safeguarding controls are an important aspect of internal control. Safeguarding controls relate to the prevention or timely detection of unauthorized transactions and unauthorized access to assets. Failure to perform tasks that are part of internal controls, such as reconciliations not prepared or not timely prepared, are deficiencies in internal control. Further, reconciliations should be performed on a monthly basis.

Title 19 O.S. § 684 states, “All monies that shall be received during any calendar month by any county officer, county board, county commission or the members or employees of either thereof, accruing as a part of the funds of the county or municipal subdivision thereof, shall be paid into the county treasury, - that is, transferred from the official account of the officer, board, commission or employee of either thereof depositing the same, to the fund or funds of the county or municipal subdivision thereof to which the same belongs, - by the authority so receiving the same on or before the second Monday following the close of the calendar month in which such monies shall have been received; and it shall be the further duty of all such officers, boards, commissions, and the members and employees of either thereof, to make and file with the county clerk on or before the second Monday of each month, a verified report in writing showing the several sources, classes and amounts of money received by virtue or under color of office during the preceding calendar month, together with an itemized statement of the amount and purpose of all vouchers issued in disbursement, distribution and transfer thereof.”

Finding 2017-3 - Noncompliance Over Appropriation Accounts

Condition: While examining the outgoing officer’s appropriation accounts, the following accounts exceeded the limitations imposed by state statute. It was further noted that the Board of County Commissioners approved these expenditures without the consideration and/or written approval from the excise board.

Account	Balance July 1, 2016	50% of Beginning Balance	Balance January 4, 2017	Fund Over/(Under)
0001 Sheriff Service Fee Fund	\$346,124.75	\$173,062.38	\$86,364.67	\$(86,697.71)
0026 Sheriff Boarding Prisoner Fund	\$742,334.46	\$371,167.23	\$136,621.09	\$(234,546.14)
0029 County Jail Maintenance	\$1,366,458.42	\$683,229.21	\$568,543.57	\$(144,685.64)

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Cause of Condition: Policies and procedures have not been designed and implemented with regards to the limitation of expenditures whenever a county officer holding an elective office will not immediately serve a succeeding term in the same office.

Effect of Condition: This condition resulted in noncompliance with state statute and could “void” any warrant issued in excess of the allocated amount set forth in Title 19 O.S. § 347 C.

Recommendation: OSAI recommends implementing policies and procedures to ensure the allocated amount set forth is not exceeded prior to an election.

Management Response:

Incoming Sheriff: The normal practices and procedures that led to the results of this audit occurred before I took office on January 3rd, 2017. The Creek County Sheriff's office has a Policy and Procedure mandating purchasing procedures. This Policy and Procedure is dated July 15, 2013 approved and signed by outgoing Sheriff. Further, Title 19 O.S. § 347 C was written on a dry erase board located in the common area of the Sheriff's Office to notify employees the statute was to be followed. Our administration will review and update the policy to ensure the Statute is followed in the future.

Criteria: Safeguarding controls are an important aspect of internal control. Safeguarding controls relate to the prevention or timely detection of unauthorized transactions and unauthorized access to assets.

Title 19 O.S. § 347 C states, “Whenever a county officer holding an elective office will not immediately serve a succeeding term in the same office, it shall be unlawful for the board of county commissioners, during the first six (6) months of the fiscal year in which said term of office expires, to approve claims for the operation of said office totaling in excess of one-half (1/2) the amount allocated for the operation of said office during said fiscal year, unless approval in writing is obtained from the county excise board, and any claim in excess thereof and any warrant issued pursuant thereto shall be null and void.”



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