

STATUTORY REPORT

CREEK COUNTY COURT CLERK TURNOVER

June 8, 2011



*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
PAT CREASON
CREEK COUNTY COURT CLERK
JUNE 8, 2011**

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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

August 15, 2011

BOARD OF COUNTY COMMISSIONERS
CREEK COUNTY COURTHOUSE
SAPULPA, OKLAHOMA 74066

Transmitted herewith is the Creek County Officer Turnover Statutory Report for June 8, 2011. The engagement was conducted in accordance with 19 O.S. § 171.

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

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the State to ensure a government which is accountable to the people of the State of Oklahoma.

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

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Pat Creason
Creek County Court Clerk
Creek County Courthouse
Sapulpa, Oklahoma 74066

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for June 8, 2011:

- Verify that equipment items on hand agree with inventory records as per 19 O.S. § 178.1.
- Verify that the Office is not exceeding the maximum amount of cash authorized for their change needs per 19 O.S. § 682.
- Verify that a monthly report of the Office is on file with the County Clerk per 19 O.S. § 684.
- Verify that the Officers' depository account balances reconcile with the County Treasurer's records and that undeposited cash reconciles to receipts.

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

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.

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

August 1, 2011

COUNTY OFFICER TURNOVER STATUTORY REPORT
PAT CREASON
CREEK COUNTY COURT CLERK
JUNE 8, 2011

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2011-1 – Lack of Inventory

Criteria: 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 acquisition, use, or disposition of the entity's assets and safeguard assets from loss, damage, or 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 thereafter maintain or cause to be maintained a continuous inventory record...biennially thereafter, or oftener...

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 therefore and the reason for disposition.

Condition: Based on test work performed, it appears equipment inventory lists for the Court Clerk are not up-to-date and an accurate inventory record is not on file with the County Clerk's office. Numerous items on the Court Clerk's inventory list were disposed of, traded in, or were in storage. OSAI was unable to identify numerous pieces of equipment on the Court Clerk's list due to the lack of county identification numbers, costs, or descriptions.

Effect: Inventory items were not accurately accounted for and the County's assets may not be safeguarded.

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Recommendation: OSAI recommends the Board of County Commissioners cause to be taken a biennial inventory of all working tools, apparatus, machinery, and equipment belonging to the County. OSAI also recommends that these inventories be documented and filed with the County Clerk.

Views of responsible officials and planned corrective actions:

Amanda Vanorsdol, Incoming Court Clerk –

I will also make every effort possible to correct the issue with the inventory.

Finding 2011-2 – Segregation of Duties

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, key duties and responsibilities should be segregated among different individuals to reduce the risk of error or fraud. No one individual should have the ability to authorize transactions, have physical custody of assets, and record transactions.

Condition: The following concerns were noted in regards to recording, authorization, custody, and execution of revenue and expenditure transactions in two of the three division offices:

- Only one deputy works in the Drumright office and is responsible for all cash receipts and disbursements with no supervision.
- In the Bristow office one deputy opens mail, writes receipts, balances cash drawer, and reconciles official depository account with the Treasurer. Another deputy opens mail, writes receipts, and balances cash drawer. All four employees can prepare, sign, and distribute vouchers.

Effect: By having a single person who has the opportunity to perform more than one area of recording, authorizing, custody of assets, and execution of transactions could result in not timely detecting unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends management be aware of these conditions and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management's overseeing of office operations and a periodic review of operations. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office, and having management review and approval of accounting functions.

Views of responsible officials and planned corrective actions:

Amanda Vanorsdol, Incoming Court Clerk –

With regards to the segregation of duties in the Drumright office, due to budget constraints and workload only one employee is needed in that division, but I would be happy to periodically go to Drumright and

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review the operations and books so that appropriate oversight is reached. With regards to Bristow, I believe that the duties in that division are appropriately segregated but I will personally perform a review on that office to be positive.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

2300 N. LINCOLN BOULEVARD, ROOM 100

OKLAHOMA CITY, OK 73105-4896

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