

**MAX COOK
DISTRICT ATTORNEY, DISTRICT 24
STATUTORY REPORT
BOGUS CHECK RESTITUTION FUND
FOR THE YEAR ENDED
JUNE 30, 2002**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

November 3, 2003

Max Cook, District Attorney
District 24

Transmitted herewith is the statutory report for the District Attorney of District 24, Creek and Okfuskee Counties, Oklahoma, for the fiscal year ended June 30, 2002.

A report of this type is critical in nature; however, we do not intend to imply that there were not commendable features in the present accounting and operating procedures of the District.

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

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 black ink that reads "Jeff A. McMahan".

JEFF A. McMAHAN
State Auditor and Inspector

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INTRODUCTORY INFORMATION

The bogus check program was created by the Oklahoma Legislature in 1982 as a special type of deferred prosecution program, and every District Attorney is required to operate a bogus check program. The program provides an alternative way to handle bogus check cases without any additional cost to courts, prosecutors, or the state prison system. The primary emphasis of the program is collecting restitution for the victim of the crime, rather than punishing the offender.

Bogus checks are a significant cost to business, a cost that is passed on to the consumer and paid by all citizens and taxpayers in the state. The bogus check program has been an effective way to address the economic problem caused by bogus checks. The program offers a way to address criminal conduct without sending a large number of offenders to state correctional facilities.



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

Statutory Report

Mr. Max Cook
District Attorney, District 24
Creek County Courthouse
Sapulpa, Oklahoma 74066

For the purpose of complying with 74 O.S. § 212 (E) and 22 O.S. § 114, we were engaged to perform each of the following procedures as it relates to the records of the Bogus Check Restitution Fund for the fiscal year ended June 30, 2002.

- We were engaged to examine fees to determine that the correct fees were assessed, receipted, and deposited in compliance with 28 O.S. § 153.
- We were engaged to determine whether expenditures were used to defray lawful expenses of the District Attorney's office in accordance with 22 O.S. § 114; whether expenditures were supported by invoices and approved claims; and that goods or services paid for were received.
- We were engaged to determine whether the fund is reconciled to the County Treasurer's records.
- We were engaged to determine whether the District Attorney prepared and submitted an annual report to the District Attorney's Council showing the total deposits and total expenditures and that expenditures were properly classified and presented.

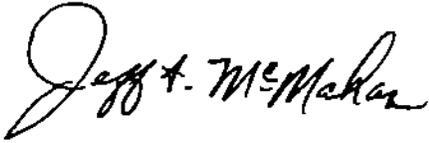
All information included in the financial records of the bogus check restitution program is the representation of the District Attorney for their respective district.

Our engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with auditing standards generally accepted in the United States of America. Accordingly, we do not express an opinion on any general-purpose financial statements of Creek County or Okfuskee County.

Our findings concerning fees, expenditures, reconciliations and annual reports are presented in the attached Schedule of Findings and Recommendations.

This report is intended for the information and use of the District Attorney and Creek County and Okfuskee County officials. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

A handwritten signature in black ink that reads "Jeff A. McMahon". The signature is written in a cursive style with a large initial "J" and "M".

JEFF A. McMAHAN
State Auditor and Inspector

July 2, 2003

**MAX COOK
DISTRICT ATTORNEY, DISTRICT 24
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2002**

Finding 2002-1 Availability of Records

Criteria: Title 51 O.S. 2001, § 24A.4, requires public officials to “keep and maintain complete records of the receipt and expenditure of any public funds reflecting all financial and business transactions relating thereto...”

Condition: All records were not available for inspection by the State Auditor and Inspector at Okfuskee County. Vouchers, receipts, invoices, claims and receiving reports could not be provided for the audit of the District Attorney’s Bogus Check Restitution Program.

Effect: This condition results in non-compliance with state statutes and could result in undetected errors and misstated financial reports.

Recommendation: It is recommended that complete records be retained for the Bogus Check Restitution Program by the District Attorney’s Office.

Management Response:

Contact Person: Glen D. Hickerson

All records were kept in a storage box and were pulled in readiness for the audit. An Okfuskee County jail trustee, (janitor) inadvertently sent the box to the landfill. Attempts to retrieve the records were made but nothing could be found. The office does generally retain complete records of all transactions.

Finding 2002-2 Reconciliation with Treasurer

Criteria: Effective internal control procedures require a reconciliation of account balances with control totals on a periodic basis.

Condition: The District Attorney is not reconciling the bogus check restitution balance on a monthly basis with the County Treasurer.

Effect: This condition results in weakened internal controls and could result in undetected errors and misstated financial reports.

Recommendation: It is recommended that a monthly reconciliation be made between the bogus check program and the County Treasurer to ensure completeness and accuracy and to provide additional checks and balances to the records.

Management Response:

Contact Person: Patricia Thompson

When records were transferred to a new program, discrepancies were found and the State Auditor’s Office concluded that a complete monthly reconciliation was not possible using the old program. The new program has the capabilities to reconcile with the Treasurer’s office each month.

**MAX COOK
DISTRICT ATTORNEY, DISTRICT 24
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2002**

Finding 2002-3 Annual Report

Criteria: Title 22 O.S. 2001, § 116(A) requires an annual report to the District Attorney's Council showing total deposits and total expenditures in the Bogus Check Restitution Program.

Condition: A report was prepared and submitted. However, we were unable to determine if total deposits and total expenditures were properly classified and presented due to missing records.

Effect: This condition results in violation of state statutes.

Recommendation: Complete records should be retained for the Bogus Check Restitution Program to facilitate the preparation of the annual report.

Management Response:

Contact Person: Glen D. Hickerson

This report was submitted as required by the State of Oklahoma and a copy was given to the field auditors. Again, any other documents they may have required that were not available at the time would have been contained in the storage box.