

# HASKELL COUNTY SHERIFF TURNOVER

DECEMBER 31, 2008

# STATUTORY REPORT



Oklahoma State Auditor  
& Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT  
MANUEL BALLARD  
HASKELL COUNTY SHERIFF  
DECEMBER 31, 2008**

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# STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA  
State Auditor

MICHELLE R. DAY, ESQ.  
Chief Deputy



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February 12, 2009

BOARD OF COUNTY COMMISSIONERS  
HASKELL COUNTY COURTHOUSE  
STIGLER, OKLAHOMA 74462

Transmitted herewith is the Haskell County Sheriff, Officer Turnover Statutory Report for December 31, 2008. 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 "Steve Burrage". The signature is written in a cursive, flowing style.

STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

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Manuel Ballard  
Haskell County Sheriff  
Haskell County Courthouse  
Stigler, Oklahoma 74462

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for December 31, 2008:

- Verify that equipment items on hand agree with inventory records as 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 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, the Office was not exceeding the maximum amount of cash authorized for their change needs. With respect to equipment on hand agreeing with inventory records; the amount of total claims approved for the operation of said Office exceeding limitations; a monthly report of the office being on file with the County Clerk; the Officers' depository account balances reconciling to the County Treasurer's records; undeposited cash reconciling to receipts; and segregation of duties, our findings are included in the accompanying schedule of findings and recommendations.

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., section 24A.1 et seq.), and shall be open to any person for inspection and copying.



STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

January 14, 2009

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**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**Finding 2009-1 – Segregation of Duties**

Criteria: Accountability and stewardship are overall goals in evaluating management's accounting of funds. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization should be segregated.

Condition: Based on inquiries of County personnel and test work performed, it was noted that receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization within the Sheriff's Office were not properly segregated to assure adequate internal control structure.

Effect: This condition could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of assets.

Recommendation: OSAI recommends management be aware of these conditions and realize the 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 knowledge of office operations and a periodic review of operations.

Views of responsible officials: New management took office prior to the end of fieldwork; therefore, no management response was obtained.

**Finding 2009-2 – Daily Deposits, Official Depository Ledger, and Monthly Fee Report**

Criteria: Title 19 O.S. § 682 states in part, "It shall be the duty of each and every county officer, county board, county commission and all members and employees of either thereof, to deposit daily in the official depository designated in Section 681 of this title, all monies, checks, drafts, orders, vouchers, funds, rentals, penalties, costs, proceeds of sale of property, fees, fines, forfeitures and public charges of every kind received or collected by virtue or under color of office....The amount so retained shall not be cumulative so that after each such deposit there shall not be on hand more than authorized by this section. A notation of the retention of this money shall be made in the proper accounting records."

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". It further states "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

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statement of the amount and purpose of all vouchers issued in disbursement, distribution and transfer thereof.”

An essential part of internal control is maintaining an accurate official depository account ledger and performance of a reconciliation of accounting records to bank records. Maintaining an accurate official depository account ledger and performing a monthly reconciliation is an important process in ensuring the accuracy of accounting records and ensuring that all monies are accounted for. Supervisory review is an integral part of ensuring that established office policies and procedures are being followed.

Condition: From test work performed, it was determined the Sheriff’s office does not deposit collected monies on a daily basis. Also, the Sheriff is not maintaining an Official Depository Ledger; therefore, the Sheriff is not reconciling his monthly balance(s) to the County Treasurer.

Further, the Sheriff is not preparing a monthly fee report and submitting it to the County Clerk.

Effect: Without monies being deposited into the official depository account and a monthly reconciliation being performed, the Sheriff’s Office is unable to have an accurate assessment of the monies on hand. It also increases the possibility of misappropriation of county funds.

Recommendation: OSAI recommends steps be taken to ensure an official depository ledger be maintained to record daily deposits and disbursements. OSAI further recommends the Sheriff’s Office perform a monthly reconciliation of the official depository account to the County Treasurer and this reconciliation be reviewed and approved by someone other than the preparer. OSAI also recommends the Sheriff’s Office prepare a monthly fee report and file the report with the County Clerk on or before the second Monday of each month.

Views of responsible officials: New management took office prior to the end of fieldwork; therefore, no management response was obtained.

**Finding 2009-3 – Inventory Records**

Criteria: Title 19 O.S. § 178.1 states. “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 thereof and of like tools, apparatus, machinery and equipment purchased, leased, or otherwise coming into the custody of the county or of any office, board, department, commission or any or either thereof, and the disposition thereof whether sold, exchanged, leased or let where authorized by statute, junked, strayed or stolen, and biennially thereafter, or oftener in 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...”

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Condition: From test work performed, it was determined an accurate inventory listing has not been prepared and maintained.

Effect: This condition could result in misappropriation of assets and loss of county equipment.

Recommendation: OSAI recommends management review inventory records and periodically perform inventory counts as to determine all equipment listed on the inventory records are properly accounted for. OSAI also recommends management present an annual inventory listing to the Board of County Commissioners to be filed with the County Clerk's office.

Views of responsible officials: New management took office prior to the end of fieldwork; therefore, no management response was obtained.

**Finding 2009-4 – Excess Appropriations**

Criteria: 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.”

Condition: From test work performed it was determined the amount of total claims approved for the operation of said office was in excess of limitations.

Effect: Claims and warrants issued may be found to be null and void.

Recommendation: OSAI recommends the BOCC not approve claims for the operation of a county office totaling in excess of one-half the amount allocated for the operation of said office during said fiscal year, unless approval in writing is obtained from the county excise board.

Views of responsible officials: New management took office prior to the end of fieldwork; therefore, no management response was obtained.





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