

STATUTORY REPORT

KIOWA COUNTY SHERIFF TURNOVER

July 11, 2016

*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
BILL LANCASTER
KIOWA COUNTY SHERIFF
JULY 11, 2016**

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Oklahoma State Auditor & Inspector

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August 11, 2016

BOARD OF COUNTY COMMISSIONERS
KIOWA COUNTY COURTHOUSE
HOBART, OKLAHOMA 73651 ZIP CODE

Transmitted herewith is the Kiowa County Officer Turnover Statutory Report for July 11, 2016. 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, appearing to read "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

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



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Bill Lancaster
Kiowa County Sheriff
Kiowa County Courthouse
Hobart, Oklahoma 73651

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for July 11, 2016:

- 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.

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.

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

July 26, 2016

**COUNTY OFFICER TURNOVER STATUTORY REPORT
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SCHEDULE OF FINDINGS AND RESPONSES

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

Condition: During our review of the County Sheriff’s fixed assets, the following exceptions were noted:

- An accurate fixed asset inventory list had not been prepared or maintained by the Sheriff’s office and filed with the County Clerk.
- A listing of County-owned weapons and to whom they were issued to was not maintained.
- Further, the following items could not be visually verified.

ID Number	Make	Model	Serial Number	Cost
B347-00438A	EQUIPMENT			\$ 2,287.70
B358-00440	MULES (2)			\$ 610.00
B404-00198	WELDER	130	KD438829	\$ 504.18
B446-00297	COMPACT SINK	M661	13010	\$ 758.16
B601-00415	REPEATER/RADI		101212	\$ 2,725.48
B602-00266	RECIEVER/RECO		5861	\$ 1,495.00
B602-00316	RADIO	ICF3GS86RC	8626426	\$ 504.00
B602-00317	RADIO	ICF3GS86RC	8626427	\$ 504.00
B602-00319	RADIO	ICF3GS86RC	8626171	\$ 504.00
B602-00321	RADIO	ICF3GS86RC	8626173	\$ 504.00
B602-00354	RADIO REPEATE	IAS-100	202373	\$ 3,900.00
B602-00355	RADIO, ANTENN		6H530204	\$ 691.95
B602-00362	REPEATER	GR500	780THG0702	\$ 1,379.00
B606-00287	RIFLE	AR6520	LGC016215	\$ 642.00
B606-00289	RIFLE	AR6520	LGC016256	\$ 642.00
B611-00432	CAMERA (DIGI	DVM-100	1A00-033F	\$ 1,895.00
B611-00433	CAMERA (DIGI	DVM-100	1A00-0316	\$ 1,895.00
B611-00434	CAMERA (DIGI	DVM-100	1A00-0332	\$ 1,895.00
B611-00435	CAMERA (DIGI	DVM-100	1A00-0309	\$ 1,895.00
B612-00451	WASHING MACH	ADE3SRGS173TW0	156059791	\$ 609.00
B616-00390	BULLET PROOF V	XTREME HP II	11064590/11064591	\$ 500.00
B616-00393	BULLET PROOF V	XTREME HP II	11064596/11064597	\$ 500.00
B616-00394	BULLET PROOF V	XTREME HP II	11064598/11064599	\$ 500.00
B616-00395	BULLET PROOF V	XTREME HP II	11064600/11064601	\$ 500.00
B616-00396	BULLET PROOF V	XTREME HP II	11064602/11064603	\$ 500.00
B616-00398	BULLET PROOF V	XTREME HP II	11064606/11064607	\$ 500.00
B616-00399	BULLET PROOF V	XTREME HP II	11064608/11064609	\$ 500.00
B616-00400	BULLET PROOF V	XTREME HP II	11064610/11064611	\$ 500.00
B616-00401	BULLET PROOF V	XTREME HP II	11064612/11064613	\$ 500.00

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ID Number	Make	Model	Serial Number	Cost
B616-00402	BULLET PROOF V	XTREME HP II	11064614/11064615	\$ 500.00
B616-00448	BULLET PROOF V			
B629-00428	DRUG DOG(K-9 R			\$ 4,000.00

- The following items were not properly marked with a county identification number.

ID Number	Make	Model	Serial Number
B611-00345	MONITOR SYSTE	BCSSRSPACLAG	4600962173
B613-00347	ELECTRIC STOVE	SS684	512100134717
B699-00406	WORK OUT MAC		
B628-00386	RADAR	GOLDEN EAGLE	E26569
B628-00387	RADAR	GOLDEN EAGLE	E26570
B628-00389	RADAR	GOLDEN EAGLE	E26583

- The following items were not included on the Sheriff's inventory.

ID Number	Make	Model	Serial Number
202	GENERATOR	DAYTON	
	GUN	.357 SIG	WFF198
	GUN	.357 SIG	WFF186
	GUN	.357 SIG	WFF185
	GUN	.357 SIG	WFF188
	GUN	.357 SIG	WFF187
	GUN	SMITH & WESSON 9mm	A727945
	GUN	MOSSBERG 12ga	T550102
	GUN	WINCHESTER 12ga	L1384081
	GUN	REMINGTON 870 12ga	177031V
	GUN	REMINGTON 870 12ga	B344069M
	WELDER	130	KF849288

Cause of Condition: Policies and procedures have not been designed to ensure fixed assets are properly maintained and accounted for and filed with the County Clerk.

Effect of Condition: These conditions resulted in noncompliance with state statute and could result in misuse or loss of county property.

Recommendation: OSAI recommends management review inventory records and periodically perform counts to determine all equipment listed on inventory records is 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.

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Management Response:

Current Sheriff: Once the turnover is complete an accurate list of inventory will be done for all items with a cost of \$500 or more value and filed at the County Clerk's office. Furthermore, a list of County-owned weapons will be maintained that documents whom the weapons are issued to.

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 therefore 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 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 biennially 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."

Finding 2017-2 – Inadequate Internal Controls and Noncompliance Over Inmate Trust Fund Checking Account and Sheriff Commissary Fund (Repeat Finding)

Condition: Upon inquiry and observation of the Inmate Trust Fund Checking Account and Sheriff Commissary Fund, the following exceptions were noted:

- One individual is primarily responsible for inputting inmate deposits into the commissary system, preparing deposit slips, depositing with the financial institution, preparing checks, posting transactions to inmate records, and reconciling the Inmate Trust Fund Checking Account ledger to the bank statement at the end of each month.
- A ledger of the Inmate Trust Fund Checking Account with each inmate's balance is not kept by the County Sheriff's office.
- Further, we reviewed disbursements, and it was noted that checks were not issued in compliance with state statute. The Sheriff pays for commissary items out of the Inmate Trust Fund Checking Account.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure that controls are in place with regards to the Inmate Trust Fund Checking Account and Sheriff Commissary Fund.

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Effect of Condition: These conditions resulted in noncompliance with state statute.

Recommendation: OSAI recommends management be aware of these conditions and realize that a concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. Management should provide segregation of duties so that no one employee is able to perform all accounting functions.

Further, OSAI recommends that a ledger be maintained with the monthly bank reconciliations that documents each inmate's balance and that the Inmate Trust Fund Checking Account disbursements be made in accordance with 19 O.S. § 531(A) and that the Sheriff's office file an annual report for the Commissary Fund with the Board of County Commissioners in accordance with 19 O.S. § 180.43(D).

Management Response:

Current Sheriff: We will work towards implementing review processes. As to the disbursements in question, the condition will be corrected.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, the duties of processing and authorizing should be segregated. Also, internal controls should be designed to analyze and check accuracy, completeness, and authorization of disbursement calculations and/or transactions.

Title 19 O.S. § 531(A) states in part, "...The county sheriff shall deposit all monies collected from inmates incarcerated in the county jail into this checking account..." The county sheriff...may write checks to the Sheriff's Commissary Account for purchases made by the inmate during his or her incarceration and to the inmate from unencumbered balances due the inmate upon his or her discharge."

Finding 2017-3 – Inadequate Internal Controls Over the Evidence Locker

Condition: Upon inquiry and observation of the Sheriff's evidence locker, the following exceptions were noted:

- A log of the evidence locker could not be found.
- There was no documentation maintained as to whom had access and keys to the evidence locker.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure that controls are in place with regards to the Sheriff's evidence locker.

Effect of Condition: This condition could result in misuse or loss of County Sheriff's evidence.

Recommendation: OSAI recommends that management maintain an evidence locker log and that access and keys to the evidence locker be restricted to key personnel only.

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Management Response:

Current Sheriff: The evidence locker has been secured and access is now restricted. I have implemented a policy that requires the approval of two (2) different individuals in order to obtain access to the evidence locker. We will also create and maintain an evidence locker log.

Criteria: Internal control is an integral component of an organization's management that provides reasonable assurance that the objectives of effectiveness and efficiency of operations, reliability of financial reporting and compliance with laws and regulations are being met. Internal control comprises the plans, methods, and procedures used to meet missions, goals, and objectives. Internal control also serves as the first line of defense in safeguarding assets and preventing and detecting errors and fraud. County management is responsible for designing an internal control system for the achievement of these goals.



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