

OPERATIONAL AUDIT

LOGAN COUNTY

For the fiscal year ended June 30, 2015



*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

**LOGAN COUNTY OPERATIONAL AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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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

June 23, 2017

**TO THE CITIZENS OF
LOGAN COUNTY, OKLAHOMA**

Transmitted herewith is the audit report of Logan County for the fiscal year ended June 30, 2015.

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". The signature is written in a cursive style.

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

**LOGAN COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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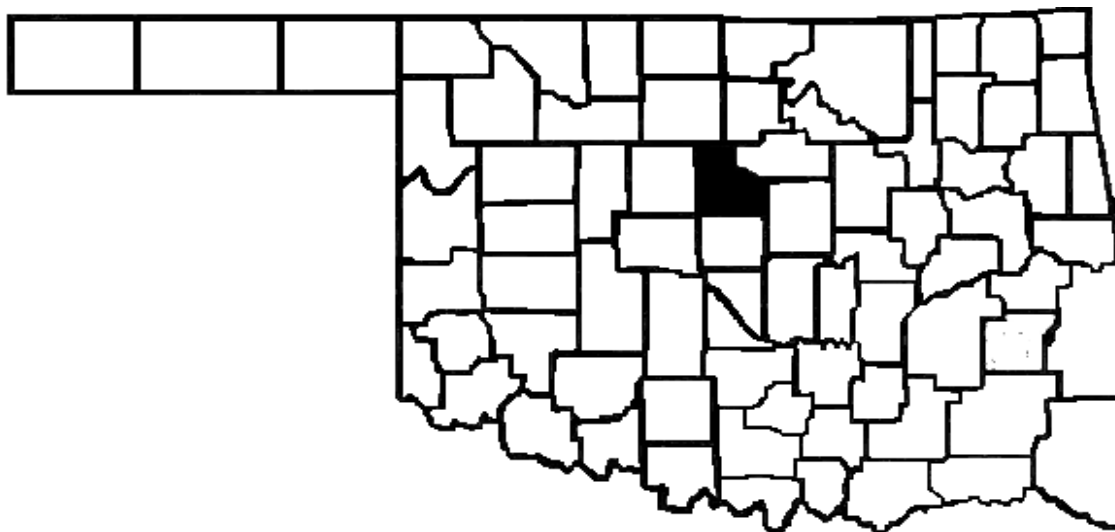
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**LOGAN COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**



Settled by the land run of April 22, 1889, Logan County was designated County No. 1 when Oklahoma Territory was organized in 1890. It was later named for Senator John A. Logan of Illinois, popular Civil War general.

Guthrie was the capital of the territory and the state until the removal to Oklahoma City in June 1910. Guthrie's central district is on the National Register of Historic Places and is the only continental United States territorial capital that is substantially the same as it was during the 1890s.

Guthrie has easy access from I-35, S.H. 33, and S.H. 77, and is served by the Burlington Northern Santa Fe Railroad. Light manufacturing includes products such as hydraulic lifts, display islands, and wooden shipping pallets. Community facilities include two municipal lakes for water supply and recreation, a swimming pool, library, hospital, four city parks, three sports areas, two golf courses, and an airport for small planes.

Places of interest include the Oklahoma Territorial Museum, the Scottish Rite Masonic Temple, Pioneer Drugstore Museum, the historic downtown district, and the Lazy E Area complex, all in Guthrie.

For more information, call the County Clerk's office at 405/282-0266.

County Seat – Guthrie

Area – 748.92 Square Miles

County Population – 45,276
(2014 est.)

Farms – 1,023

Land in Farms – 367,361 Acres

Primary Source: Oklahoma Almanac 2015-2016

Board of County Commissioners

District 1 – Marven L. Goodman
District 2 – Michael Pearson
District 3 – Monty Piearcy

County Assessor

Tisha Hampton

County Clerk

Troy Cole

County Sheriff

Jim Bauman

County Treasurer

Sherri Longnecker

Court Clerk

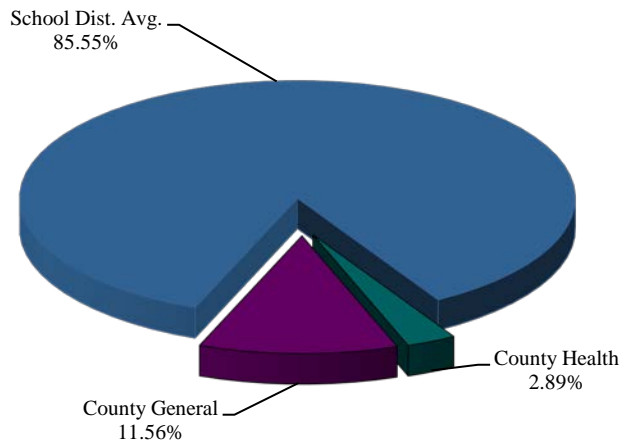
ReJuania Zmek

District Attorney

Laura Austin Thomas

**LOGAN COUNTY, OKLAHOMA
AD VALOREM TAX DISTRIBUTION
SHARE OF THE AVERAGE MILLAGE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Property taxes are calculated by applying a millage rate to the assessed valuation of property. Millage rates are established by the Oklahoma Constitution. One mill equals one-thousandth of a dollar. For example, if the assessed value of a property is \$1,000.00 and the millage rate is 1.00, then the tax on that property is \$1.00. This chart shows the different entities of the County and their share of the various millages as authorized by the Constitution.



County-Wide Millages		School District Millages								
						Career				
			Gen.	Bldg.	Skg.	Tech.	EMS	Common	Total	
County General	10.24									
County Health	2.56									
		Guthrie	I-1	35.84	5.12	-	15.37	3.00	4.09	63.42
		Crescent	I-2	35.90	5.13	18.51	15.33	3.08	4.09	82.04
		Mulhall-Orlando	I-3	36.20	5.17	5.29	15.37	-	4.09	66.12
		Coyle	I-14	36.42	5.20	13.92	-	-	4.09	59.63
		Payne	JI-56	36.79	5.26	22.76	15.37	-	4.09	84.27
Spring Ridge Road	3.00	Kingfisher	JI-89	35.32	5.05	16.47	12.00	3.11	4.09	76.04
Oaksprings Road	6.00	Garfield	JI-94	35.84	5.12	7.36	15.34	-	4.09	67.75
Evergreen Hills Road	3.00	Lincoln	JI-4	36.76	5.25	16.32	15.60	-	4.09	78.02
Sherwood Road	6.00	Oklahoma	JI-3	36.32	5.19	14.72	16.05	-	4.09	76.37
		Oklahoma	JI-6	35.70	5.10	35.15	15.33	-	4.09	95.37
		Oklahoma	JI-12	35.69	5.10	24.04	15.33	-	4.09	84.25

**LOGAN COUNTY, OKLAHOMA
SALES TAX DISTRIBUTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Sales Tax

Sales Tax of July 1, 2005

On March 1, 2005, the voters of Logan County approved a 3/4% of 1% sales tax, effective July 1, 2005, and terminating after ten years or at the date of retirement of any debt incurred for land acquisition, construction, financing, furnishing, and equipping a new county jail and related facilities. The last collections received by the County for this sales tax was in November of 2014.

These funds are accounted for in the Jail Authority Fund.

Sales Tax of October 1, 2010

On August 24, 2010, the voters of Logan County approved to extend a 1/4% of 1% sales tax, effective October 1, 2010, and terminating on September 30, 2015. However, this was amended with a vote on August 26, 2014. This sales tax terminated on December 31, 2014. This sales tax was established to provide revenue for the following county fire departments:

1. Cashion
2. Coyle
3. Crescent
4. Guthrie
5. Langston
6. Marshall
7. Meridian
8. Mulhall
9. Oak Cliff
10. Orlando
11. Sooner
12. Twin Lakes
13. Woodcrest

These funds are accounted for in the County Sales Tax Fire Districts fund.

Sales Tax of January 1, 2015

On August 26, 2014, the voters of Logan County approved a 3/4% of 1% sales tax, effective January 1, 2015, and terminating on December 31, 2024; and to amend the October 1, 2010 sales tax for the fire departments with a termination date of December 31, 2014 instead of the prescribed termination date of September 30, 2015.

Sales Tax - Continued

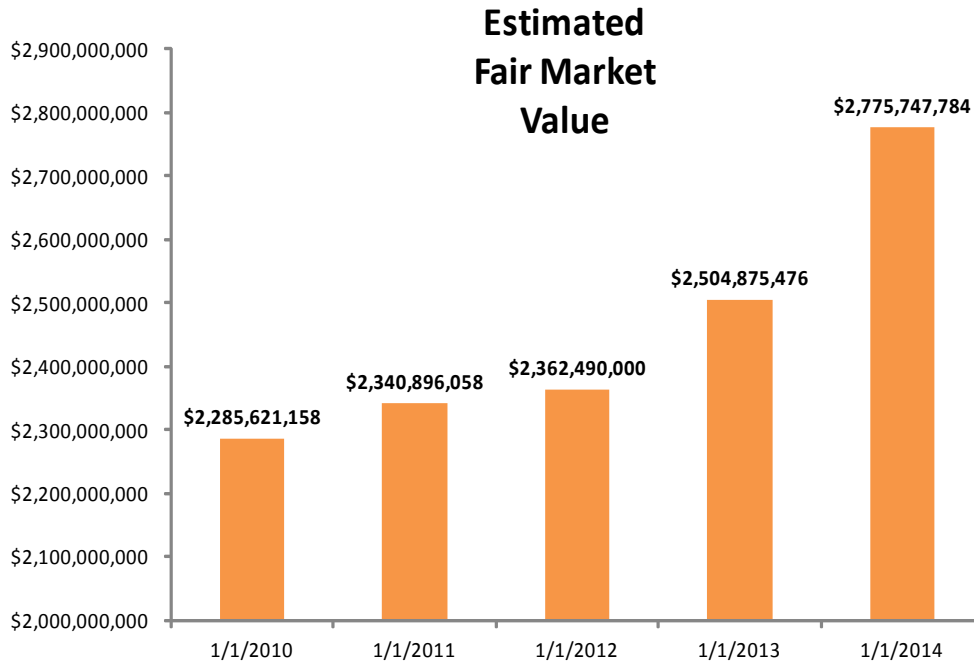
The purpose of this sales tax was to provide one-third (1/3) of the revenue for road and bridge maintenance and improvements, one-third (1/3) for maintenance and operations of the Logan County Jail, and one-third (1/3) for maintenance, repairs, personnel benefits, personnel training, equipment purchases and/or capital outlay of the fire departments located with Logan County, Oklahoma.

These funds are accounted for in the Highway Sales Tax fund, Jail Operations Fee Cash fund, and County Sales Tax Fire Districts fund.

During the fiscal year the County collected \$3,616,028 in total sales tax.

**LOGAN COUNTY, OKLAHOMA
 ASSESSED VALUE OF PROPERTY
 TREND ANALYSIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

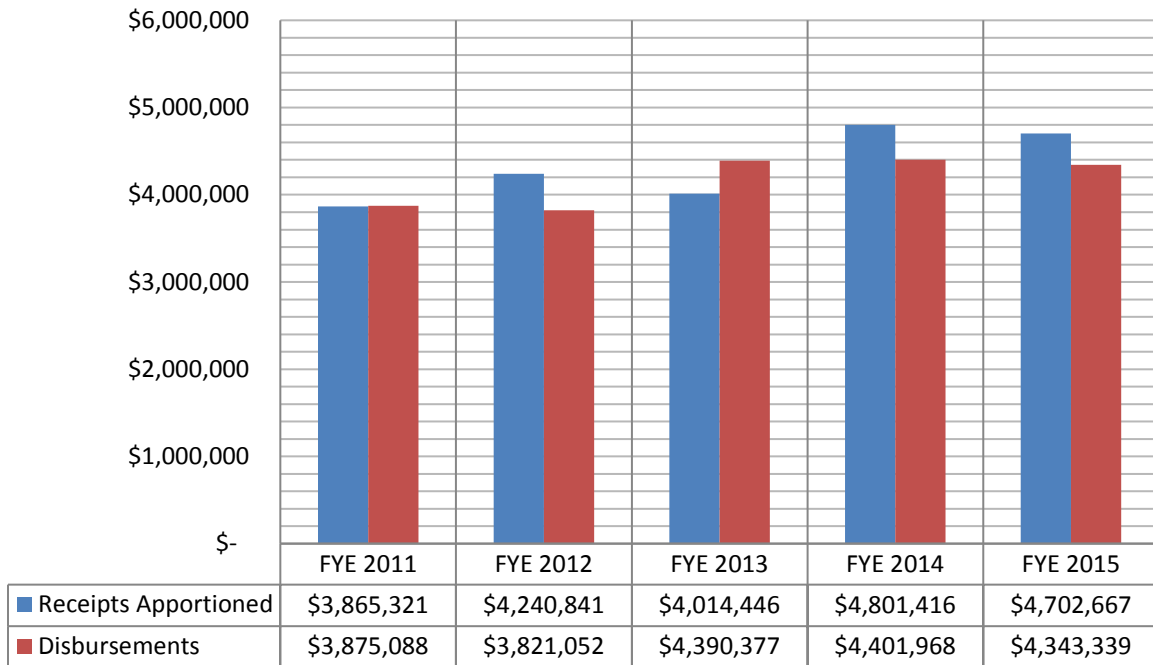
Valuation Date	Personal	Public Service	Real Estate	Homestead Exemption	Net Value	Estimated Fair Market Value
1/1/2014	\$43,361,715	\$50,231,682	\$233,452,816	\$8,481,003	\$318,565,210	\$2,775,747,784
1/1/2013	\$38,548,237	\$40,043,557	\$241,007,381	\$8,570,101	\$311,029,074	\$2,504,875,476
1/1/2012	\$24,936,282	\$40,541,889	\$228,896,045	\$10,875,416	\$283,498,800	\$2,362,490,000
1/1/2011	\$28,147,175	\$41,171,869	\$222,616,647	\$11,028,164	\$280,907,527	\$2,340,896,058
1/1/2010	\$27,036,143	\$40,386,013	\$215,557,986	\$8,705,603	\$274,274,539	\$2,285,621,158



**LOGAN COUNTY, OKLAHOMA
COUNTY GENERAL FUND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

County General Fund

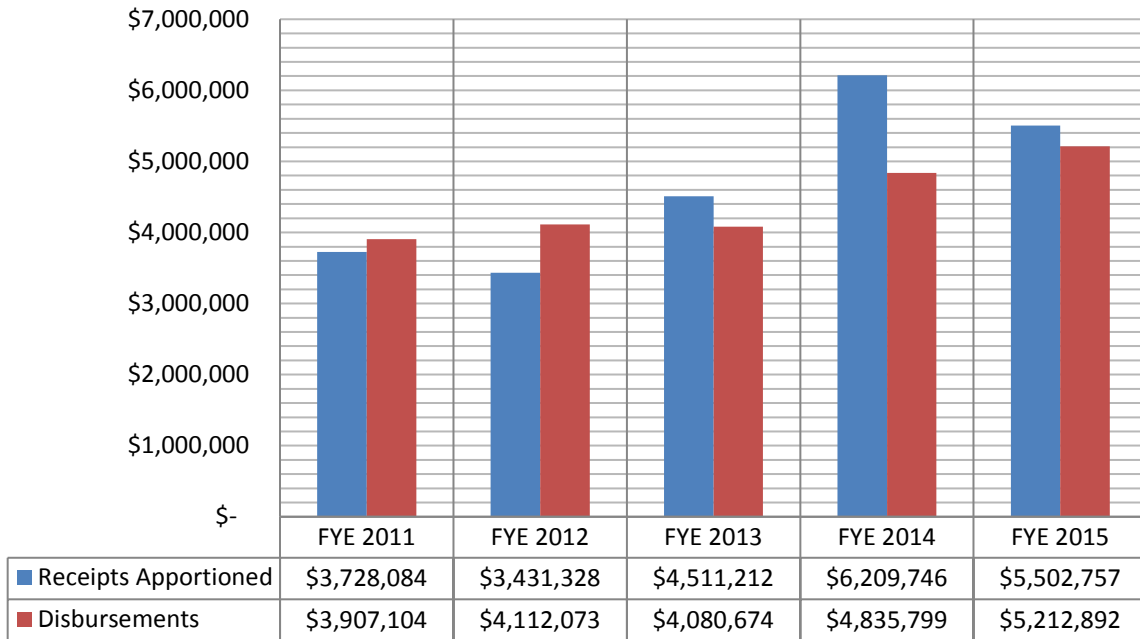
The Oklahoma Constitution and the Oklahoma Statutes authorize counties to create a County General Fund, which is the county's primary source of operating revenue. The County General Fund is typically used for county employees' salaries plus many expenses for county maintenance and operation. It also provides revenue for various budget accounts and accounts that support special services and programs. The Board of County Commissioners must review and approve all expenditures made from the County General Fund. The primary revenue source for the County General Fund is usually the county's ad valorem tax collected on real, personal (if applicable), and public service property. Smaller amounts of revenue can come from other sources such as fees, sales tax, use tax, state transfer payments, in-lieu taxes, and reimbursements. The chart below summarizes receipts and disbursements of the County's General Fund for the last five fiscal years.



**LOGAN COUNTY, OKLAHOMA
COUNTY HIGHWAY FUND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

County Highway Fund

The County receives major funding for roads and highways from a state imposed fuel tax. Taxes are collected by the Oklahoma Tax Commission. Taxes are imposed on all gasoline, diesel, and special fuel sales statewide. The County's share is determined on formulas based on the County population, road miles, and land area and is remitted to the County monthly. These funds are earmarked for roads and highways only and are accounted for in the County Highway Fund. The chart below summarizes receipts and disbursements of the County's Highway Fund for the last five fiscal years.



**LOGAN COUNTY
OPERATIONAL AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Presentation of Apportionments, Disbursements, and Cash Balances of County Funds for Fiscal Year Ended June 30, 2015

	Beginning Cash Balances July 1, 2014	Receipts Apportioned	Transfers In	Transfers Out	Disbursements	Ending Cash Balances June 30, 2015
Combining Information:						
County Funds:						
County General Fund	\$ 1,532,929	\$ 4,702,667	\$ -	\$ 17,260	\$ 4,343,339	\$ 1,874,997
County Highway Cash	3,123,864	5,502,757	39,340	-	5,212,892	3,453,069
Sheriff Fee Cash	471,899	333,348	58,397	-	450,782	412,862
County Clerk Fee Cash	162,929	46,400	-	-	28,200	181,129
Resale Property	699,511	364,446	1,000	-	304,436	760,521
County Clerk Preservation	146,377	71,650	-	-	83,571	134,456
County Bridge and Road Improvement	398,659	360,874	-	-	287,046	472,487
Oaksprings Road	91,014	7,286	-	-	-	98,300
Sherwood Road	26,901	2,503	-	-	-	29,404
County Treasurer Mortgage Certification Fee	18,419	10,740	-	-	17,173	11,986
Evergreen Hills Road	14,969	1,559	-	-	-	16,528
County Sales Tax Fire Districts	2,327,424	1,279,690	-	-	1,180,642	2,426,472
Jail Operations Fee Cash	172,472	2,712,096	4,280	-	1,292,837	1,596,011
OSU Fee Cash	7,785	34	-	-	-	7,819
County Assessor Fee Cash	18,892	5,929	-	-	1,475	23,346
Sheriff Commissary	70,268	173,934	-	58,157	77,652	108,393
Safe Room Project	1,061	-	1,061	-	-	1,061
Reward Fund	1,219	-	-	-	-	1,219
Local Emergency Planning Committee Grant	9,291	1,000	-	-	-	10,291
Emergency Management	1,574	-	-	-	-	1,574
Sheriff Revolving	815,998	1,141,193	960	-	737,483	1,220,668
County Health Department	459,776	914,367	-	-	663,367	710,776
Sheriff Training	131	14,099	-	-	-	14,230
Sheriff Drug Forfeiture	17,558	-	-	-	-	17,558
Jail Authority Fund	-	1,042,854	-	-	1,042,854	-
Federal Equitable Sharing	2,413	-	-	-	2,389	24
Sheriff Drug Buy Cash	2,004	100	-	-	100	2,004
Spring Ridge Road	1,375	766	-	-	-	2,141
Community Development Block Grant RWD-1	-	-	-	-	-	-
Court Fund Salaries	51,988	151,512	1,100	-	140,043	64,557
Highway Sales Tax	-	326,074	-	-	-	326,074
FEMA - 2014 Wildfire	-	234,874	-	-	-	234,874
Combined Total - All County Funds	\$ 10,648,700	\$ 19,402,752	\$ 105,077	\$ 75,417	\$ 15,866,281	\$ 14,214,831

Source: County Treasurer's Monthly Reports (presented for informational purposes)

**LOGAN COUNTY
DESCRIPTION OF COUNTY FUNDS AND TRANSFERS
OPERATIONAL AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Description of County Funds

The County uses funds to report on receipts, disbursements, and changes in cash balances. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Following are descriptions of the county funds within the Presentation of Apportionments, Disbursements, and Cash Balances of County Funds:

County General Fund – accounts for revenues from ad valorem taxes, officer’s fees, sales tax, interest earnings, and miscellaneous collections of the County. Disbursements are for the general operations of the County.

County Highway Cash – accounts for revenues from state imposed fuel taxes. Disbursements are for the constructing and maintaining of county roads and bridges.

Sheriff Fee Cash – accounts for fees charged for inmate phone usage and serving summons and notices. Disbursements are for any lawful expense of the Sheriff’s office.

County Clerk Fee Cash – accounts for fees charged by the County Clerk for lien redemptions. Disbursements are for any lawful expense of the County Clerk’s office.

Resale Property – accounts for the collection of interest and penalties on delinquent ad valorem taxes. Disbursements are to offset the expense of collecting delinquent ad valorem taxes.

County Clerk Preservation – accounts for fees charged by the County Clerk for recording instruments. Disbursements are for the maintenance and preservation of public records.

County Bridge and Road Improvement – accounts for state receipts and disbursements are for the purpose of constructing and maintaining county roads and bridges.

Oaksprings Road – accounts for collections from tax levies. Disbursements are for the maintenance and improvement of Oaksprings Road.

Sherwood Road – accounts for collections from tax levies. Disbursements are for the maintenance and improvement of Sherwood Road.

County Treasurer Mortgage Certification Fee – accounts for fees from certifying mortgages. Disbursements are for any lawful expense of the Treasurer’s office.

Evergreen Hills Road – accounts for collections from tax levies. Disbursements are for the maintenance and improvement of Evergreen Hills Road.

LOGAN COUNTY
DESCRIPTION OF COUNTY FUNDS AND TRANSFERS
OPERATIONAL AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

County Sales Tax Fire Districts – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Jail Operations Fee Cash – accounts for sales tax funds received from the Jail Trust Authority. Disbursements are used for jail operations.

OSU Fee Cash – accounts for fees collected from the OSU Extension. Disbursements are for any lawful operation of the OSU Extension office.

County Assessor Fee Cash – accounts for fees charged by the County Assessor. Disbursements are for any lawful expenses of the Assessor’s office.

Sheriff Commissary – accounts for profits on commissary sales in the County jail. Disbursements are to improve or provide jail services.

Safe Room Project – accounts for federal grant funds received for the reimbursement of storm shelter installation.

Reward Fund – accounts for funds used by the County Sheriff to offer rewards to citizens who provide information for the furtherance of a case.

Local Emergency Planning Committee Grant – accounts for the receipt and disbursement of funds from state and local governments as restricted by the grant agreement.

Emergency Management – accounts for the receipt and disbursement of funds from state and local governments for the operations of the Emergency Management office.

Sheriff Revolving – accounts for collections by the County Sheriff’s office for the housing of state and federal inmates. Disbursements are for the lawful operations of the jail.

County Health Department – accounts for monies collected on behalf of the county health department from ad valorem taxes and state and local revenues and miscellaneous fees charged by the county health department. Disbursements are for the operation of the county health department.

Sheriff Training – accounts for local seized monies. Disbursements are for officer training, equipment, and crime prevention.

Sheriff Drug Forfeiture – accounts for money awarded to the County Sheriff’s office in drug forfeiture cases. Disbursements are for the lawful operation of the Sheriff’s office to be used for enforcement of controlled dangerous substance laws, drug abuse prevention, and education.

LOGAN COUNTY
DESCRIPTION OF COUNTY FUNDS AND TRANSFERS
OPERATIONAL AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Jail Authority Fund – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax resolution.

Federal Equitable Sharing – accounts for federally forfeited cash, property, proceeds, and interest earned. Disbursements are for law enforcement purposes in accordance with state statutes and guidelines that govern the federal Equitable Sharing Program.

Sheriff Drug Buy Cash – accounts for the funds used by the County Sheriff’s undercover agents in drug busts. Disbursements are for undercover agents to use for buy cash.

Spring Ridge Road – accounts for collections from tax levies. Disbursements are for the maintenance and improvement of the Spring Ridge Road addition.

Community Development Block Grant RWD-1 – accounts for collections from a Community Development Block Grant from the Department of Housing and Urban Development. Disbursements are for rural water district improvements.

Court Fund Salaries – accounts for funds deposited to be used for payroll for the Court Clerk’s office.

Highway Sales Tax – accounts for the collection of sales tax revenue and disbursement of funds as restricted by the sales tax resolution.

FEMA - 2014 Wildfire – accounts for the collections of federal grant money from the Department of Homeland Security. Disbursements are for reimbursement of emergency personnel and equipment expenses associated with a large wildfire in 2014.

Interfund Transfers

During the fiscal year, the County made the following interfund transfers:

- \$17,260 was transferred from the County General Fund to the County Highway Cash fund (\$9,680), the Resale Property fund (\$1,000), the Jail Operations Fee Cash fund (\$4,280), the Sheriff Revolving fund (\$960), the Sheriff Fee Cash fund (\$240), and the Court Fund Salaries fund (\$1,100) for Safety Awards for county employees.
- \$29,660 was transferred from the Emergency and Transportation Revolving Fund (a trust and agency fund) to the County Highway Cash fund for projects completed.
- \$58,157 was transferred from the Sheriff Commissary fund to Sheriff Fee Cash fund for commissary profits.

LOGAN COUNTY, OKLAHOMA
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—
COUNTY GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund		
	Budget	Actual	Variance
Beginning Cash Balances	\$ 1,532,929	\$ 1,532,929	\$ -
Less: Prior Year Outstanding Warrants	(269,091)	(269,091)	-
Less: Prior Year Encumbrances	(65,635)	(22,991)	42,644
Beginning Cash Balances, Budgetary Basis	<u>1,198,203</u>	<u>1,240,847</u>	<u>42,644</u>
Receipts:			
Ad Valorem Taxes	2,941,255	3,277,146	335,891
Charges for Services	358,884	398,353	39,469
Intergovernmental Revenues	632,228	928,677	296,449
Miscellaneous Revenues	30,777	98,491	67,714
Total Receipts, Budgetary Basis	<u>3,963,144</u>	<u>4,702,667</u>	<u>739,523</u>
Expenditures:			
District Attorney - County	42,000	29,666	12,334
County Sheriff	1,151,725	1,043,362	108,363
County Treasurer	104,444	103,980	464
County Commissioners	200,410	179,896	20,514
County Commissioners OSU Extension	44,433	44,380	53
County Clerk	256,565	232,882	23,683
Court Clerk	162,682	131,346	31,336
County Assessor	207,785	181,782	26,003
Revaluation	329,200	306,714	22,486
General Government	641,546	462,892	178,654
Excise Equalization	5,350	3,043	2,307
County Election Expense	122,322	108,476	13,846
Insurance - Benefits	1,429,576	1,247,395	182,181
Charity	1,200	300	900
Civil Defense	49,845	48,013	1,832
Highway Budget Accounts	303,600	303,600	-
County Audit Budget Account	31,599	-	31,599
Free Fair Budget Account	77,065	76,974	91
Total Expenditures, Budgetary Basis	<u>5,161,347</u>	<u>4,504,701</u>	<u>656,646</u>

Continued on next page

Source: County Estimate of Needs (presented for informational purposes)

LOGAN COUNTY, OKLAHOMA
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—
COUNTY GENERAL FUND - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund		
	Budget	Actual	Variance
Continued from previous page			
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ -	1,438,813	\$ 1,438,813
Interfund Transfers:			
Interfund Transfer Out		(17,260)	
Net Interfund Transfers		(17,260)	
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances			
Add: Current Year Outstanding Warrants		246,069	
Add: Current Year Encumbrances		207,375	
Ending Cash Balance		\$ 1,874,997	

Source: County Estimate of Needs (presented for informational purposes)

LOGAN COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF RECEIPTS, EXPENDITURES, AND
CHANGES IN CASH BALANCES—BUDGET AND ACTUAL—BUDGETARY BASIS—
COUNTY HEALTH DEPARTMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	County Health Department Fund		
	Budget	Actual	Variance
Beginning Cash Balances	\$ 459,776	\$ 459,776	\$ -
Less: Prior Year Outstanding Warrants	(71,469)	(71,469)	-
Less: Prior Year Encumbrances	(4,405)	(3,197)	1,208
Beginning Cash Balances, Budgetary Basis	383,902	385,110	1,208
Receipts:			
Ad Valorem Taxes	735,314	819,286	83,972
Charges for Services	-	16,740	16,740
Intergovernmental Revenues	-	78,333	78,333
Miscellaneous Revenues	-	8	8
Total Receipts, Budgetary Basis	735,314	914,367	179,053
Expenditures:			
Health & Welfare	1,119,216	827,798	291,418
Total Expenditures, Budgetary Basis	1,119,216	827,798	291,418
Excess of Receipts and Beginning Cash Balances Over Expenditures, Budgetary Basis	\$ -	471,679	\$ 471,679
Reconciliation to Statement of Receipts, Disbursements, and Changes in Cash Balances			
Add: Current Year Encumbrances		1,710	
Add: Current Year Outstanding Warrants		237,387	
Ending Cash Balance		\$ 710,776	

Source: County Estimate of Needs (presented for informational purposes)

**LOGAN COUNTY
OPERATIONAL AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

PURPOSE, SCOPE, AND SAMPLE METHODOLOGY

This audit was conducted in response to 19 O.S. § 171, which requires the State Auditor and Inspector's Office to audit the books and accounts of county officers.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In planning and conducting our audit, we focused on the major financial related areas of operations based on assessment of materiality and risk for the fiscal year ended June 30, 2015. Our audit procedures included:

- Inquiries of appropriate personnel,
- Inspections of documents and records,
- Observations of the County's operations,
- Reconciling total apportionments, disbursements, and balances presented on the County's Presentation of Apportionments, Disbursements, and Cash Balances of County Funds for the fiscal year to the County Treasurer's and County Clerk's financial ledgers,
- Confirming third party confirmations to the financial ledgers,
- Selecting representative samples to determine disbursements were made in accordance with state statutes, approved ballots, and county purchasing procedures, and
- Gaining an understanding of the County's internal controls as it relates to each audit objective.

To ensure the samples were representative of the population and provided sufficient, appropriate evidence, both random sample and judgmental sample methodologies were used. We identified specific attributes for testing each of the samples and when appropriate, we projected our results to the population.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, errors or fraud may occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

This report is 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.

Objective 1: To determine the receipts apportioned, disbursements, and cash balances are accurately presented on the County Treasurer's monthly reports for FY 2015.

Conclusion: With respect to the items reconciled and reviewed; the receipts apportioned, disbursements, and cash balances are accurately presented on the County Treasurer's monthly reports. However, internal controls over the County Treasurer's accounting process should be strengthened.

FINDINGS AND RECOMMENDATIONS

Finding 2015-5 – Inadequate Internal Controls Over the Accounting Process in the County Treasurer's Office (Repeat Finding)

Condition: Upon inquiry of the County Treasurer and staff, observation and review of documentation and testwork performed with regard to the collection, safeguarding and reconciling process; the following weaknesses were noted:

- There was no documentation of pledged collateral amounts being monitored to daily bank balances to ensure that County funds are adequately secured.
- The County Treasurer's general ledger balances were not reconciled to the County Clerk appropriation ledger for the County General Fund or County Health Department fund.

Cause of Condition: Policies and procedures have not been designed and implemented to monitor pledged collateral, and ensure the reconciliation of accounting records between offices.

Effect of Condition: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, misappropriation of funds, or the County being under-collateralized.

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends implementing the following internal controls:

- All funds presented on the County Clerk's appropriation ledger and the County Treasurer's general ledger should be reconciled monthly. Documentation of this reconciliation should be reviewed and approved by someone other than the preparer.
- Pledged collateral amounts should be updated and monitored daily and documentation of this monitoring maintained.

Management Response:

County Treasurer: For auditing purposes I will sign the bottom of the front page of the general ledger to prove that the pledges were checked daily.

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- I plan on balancing the two budget accounts to the general ledger from this time forward.

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. 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.

Objective 2: To determine the County's financial operations complied with 68 O.S. § 1370E, which requires the sales tax collections to be deposited in the general revenue or Sales Tax Revolving Fund of the County and be used only for the purpose for which such sales tax was designated.

Conclusion: With respect to the items tested, the County complied with 68 O.S. § 1370E, which requires the sales tax collections to be deposited in the general revenue or Sales Tax Revolving Fund of the County and be used only for the purpose for which such sales tax was designated. However, internal controls over the calculation of sales tax should be strengthened.

FINDINGS AND RECOMMENDATIONS

Finding 2015-12 – Inadequate Internal Controls Over Sales Tax Collections (Repeat Finding)

Condition: Upon observation of the recordkeeping process of collecting sales tax and recalculation of sales tax apportionments, the following was noted:

- There is no independent oversight of the calculation of sales tax collections that is presented for appropriation by the County Treasurer to the County Clerk.
- The Jail Authority Fund was not identified on the financial statement as a sales tax fund.

Cause of Condition: Policies and procedures have not been designed and implemented with regard to controls over all aspects of the sales tax apportionment process due to officials being unaware of the need for such procedures.

Effect of Condition: These conditions resulted in a lack of review over the sales tax apportionment process and could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriations of funds not being detected in a timely manner.

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Recommendation: OSAI recommends management be aware of these conditions concerning the sales tax apportionment process and provide independent oversight of office operations and a periodic review of operations.

Management Response:

County Treasurer:

- For auditing purposes I can ask the County Clerk to recheck my figures.
- We can change the name of the fund to read Jail Sales Tax.

County Clerk: We will change the name of the fund to Jail Sales Tax.

Criteria: Accountability and stewardship are overall goals of management in accounting of funds. To help ensure a proper accounting of funds, appropriate independent review of collection activity should be performed and documented.

Objective 3: To determine the County's financial operations complied with 68 O.S. § 2923, which requires the ad valorem tax collections to be apportioned and distributed monthly among the different funds to which they belong.

Conclusion: With respect to the items tested, the County complied with 68 O.S. § 2923, which requires the ad valorem tax collections to be apportioned and distributed monthly among the different funds to which they belong.

Objective 4: To determine whether the County's internal controls provide reasonable assurance that expenditures (including payroll) were accurately reported in the accounting records and financial operations complied with significant laws and regulations.

Conclusion: The County's internal controls do not provide reasonable assurance that expenditures were accurately reported in the accounting records.

Additionally, the County's financial operations did not comply with 19 O.S. § 1505, which requires that disbursements be timely encumbered.

FINDINGS AND RECOMMENDATIONS

Finding 2015-8 – Inadequate Internal Controls and Noncompliance Over the Disbursement Process (Repeat Finding)

Condition: Upon testing forty-three (43) purchase orders, we noted the following exceptions:

- Four (4) purchase orders were not timely encumbered – (County Sales Tax Fire District - Twin Lakes Fire Department and Sooner Fire Department, Sheriff Revolving Fund, and County General Fund-General Government.)

Cause of Condition: Policies and procedures have not been designed and implemented with regard to the disbursement process to ensure adequate internal controls and compliance with state statute.

Effect of Condition: These conditions resulted in noncompliance with state statutes and could result in unrecorded transactions, misstated financial reports, undetected errors, and misappropriation of funds.

Recommendation: OSAI recommends that the County adhere to state purchasing guidelines. Purchase orders should be encumbered before goods or services are ordered in accordance with 19 O.S. § 1505C.

Management Response:

District 1 Commissioner: The disbursement process should include timely encumbrance.

District 2 Commissioner: We will be more aggressive in making sure the County adheres to state purchasing procedures.

District 3 Commissioner: We will work to ensure purchase orders are encumbered before goods and/or services are ordered.

County Sheriff: We make every effort to timely encumber all purchase orders; however, circumstances arise where it is unavoidable.

County Clerk: Continued effort will be made to comply with purchasing procedures.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. Internal controls should be designated to analyze and check accuracy, completeness, and authorization of disbursement calculations and/or transactions.

Effective internal controls require that management properly implement procedures to ensure that purchases are made in compliance with 19 O.S. § 1505C which provides that purchase orders should be timely encumbered.

All Objectives:

The following findings are not specific to any objective, but are considered significant to all of the audit objectives.

Finding 2015-1 – County-Wide Controls (Repeat Finding)

Condition: County-wide controls regarding Risk Assessment and Monitoring have not been designed.

Cause of Condition: County-wide internal controls have not been designed and implemented. These conditions are a result of the County not being aware of how the process of identifying risk and monitoring activities could positively impact the operations and reporting of the County.

Effect of Condition: Without an adequate system of county-wide internal controls, there is a risk of a breakdown in control activities which could result in unrecorded transactions, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends that the County design procedures to address their internal control framework. This should outline the importance of internal controls, the risk that the county has identified, the control activities established to address the risk, the steps to take to properly communicate pertinent information in a timely manner and the methodology to monitor the quality of performance over time. These procedures should be written policies and procedures and could be included in the County's policies and procedures handbook.

Management Response:

District 1 Commissioner: The Board of County Commissioners should consider establishing a county-wide internal controls working group with the purpose of establishing and preparing a formal written document of county-wide internal controls to prevent reoccurrence.

District 2 Commissioner: Will work with other County Officers to develop procedures to document Internal Control Network. We will take all advisement OSAI recommends.

District 3 Commissioner: According to research, it cannot be found where it is mandated that we conduct officer meetings, although I think it would be good to hold more.

County Clerk: We will make a better effort of communication before offices.

County Treasurer: The eight elected officials will try harder to schedule officer meetings to discuss county business and risk management. Although it is not require by state statute, I think it could be beneficial.

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County Sheriff: We at the Logan County Sheriff's Office are more than willing to participate in any meeting that would address all the components of an internal control framework.

County Court Clerk: I agree that county-wide controls need to be in place and would agree to participate in County Officer meetings.

County Assessor: I will attend and participate in as many meetings as I possibly can. I will update a copy of the annual abstract for each official. If there are any foreseeable changes with assessments, I will convey this to the other elected officials during the year.

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 a county-wide control system comprised of Risk Assessment and Monitoring for the achievement of these goals.

Risk assessment is a component of internal control which should provide for an assessment of the risks the County faces from both internal and external sources. Once risks have been identified, they should be analyzed for their possible effect. Management then has to formulate an approach for risk management and decide upon the internal control activities required to mitigate those risks and achieve the internal control objectives of efficient and effective operations, reliable financial reporting, and compliance with laws and regulations.

Monitoring is a component of internal control which should assess the quality of performance over time and ensure that the findings of audits and other reviews are promptly resolved. Ongoing monitoring occurs during normal operations and includes regular management and supervisory activities, comparisons, reconciliations, and other actions people take in performing their duties. It includes ensuring that management know their responsibilities for internal control and the need to make control monitoring part of their regular operating process.

Finding 2015-14 – Inadequate Internal Controls and Noncompliance of Open Meetings Act

Condition: Based on review of email correspondence between District 1 Commissioner and District 2 Commissioner, it appears that County business has been discussed and decisions made by the majority of the Board of County Commissioners outside of an open meeting. A review of Board of County Commissioners' agendas and minutes recorded do not reflect these discussions or decisions.

Cause of Condition: Policies and procedures have not been designed and implemented regarding email correspondence between county officials to ensure County business is not conducted outside of an open meeting.

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Effect of Condition: This condition could result in violation of the Open Meeting Act.

Recommendation: OSAI recommends the County implement policies and procedures designed to ensure compliance with 25 O.S. § 304 and 312 regarding the Open Meeting Act.

Management Response:

District 1 Commissioner: The county board of commissioners should consider establishing a countywide internal controls working group with the purpose of establishing and preparing a formal written document of County Wide internal controls. It is impossible to address specific corrective actions given the general description of this finding. We recommend that specific processes and procedures that enable open and transparent communications between county officers, while maintaining compliance with the Oklahoma Open Meeting Act, should be discussed, documented, and adopted as a county standard operating procedure for all types of communications; including in person, telephone, email, and social media.

District 2 Commissioner: One Commissioner continually sends emails that could violate the open meeting statutes. I try to make sure I never respond to the members of the governing body. I believe I may have responded on a meeting time via email “reply all”. I will be more vigilant in the future.

Criteria: Title 25 O.S. § 304 (2) states, “Meeting” means the conduct of business of a public body by a majority of its members being personally together or, as authorized by Section 307.1 of this title, together pursuant to a videoconference. Meeting shall not include informal gatherings of a majority of the members of the public body when no business of the public body is discussed.”

Title 25 O.S. § 312 (A) states, “The proceedings of a public body shall be kept by a person so designated by such public body in the form of written minutes which shall be an official summary of the proceedings showing clearly those members present and absent, all matters considered by the public body, and all actions taken by such public body. The minutes of each meeting shall be open to public inspection and shall reflect the manner and time of notice required by this act.”

Other Item(s) Noted:

Although not considered significant to the audit objectives, we feel the following issues should be communicated to management.

Finding 2015-2 – Inadequate Internal Controls and Noncompliance Over the Transfer of Funds (Repeat Finding)

Condition: Based upon inquiry of the County Treasurer’s office and observation of the funds transferred, the following weaknesses were noted:

- \$17,260 for Safety Awards was transferred from the County General Fund into County Highway Cash, Resale Property, Jail Operations Fee Cash, Sheriff Revolving, and Court Fund Salaries funds.
- \$58,397 was transferred from the Sheriff Commissary fund to the Sheriff Fee Cash fund. Officials misunderstood that funds could not be spent from the Sheriff Commissary fund for jail operations; therefore, the funds were transferred to the Sheriff Fee Cash fund.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure the transfer of funds is made in compliance with state statute.

Effect of Condition: This condition resulted in noncompliance with the state statute and could result in misstated financial reports, undetected errors, and misappropriation of funds.

Recommendation: Regarding the payment of safety awards, the County should review the financial accounts and determine from which funds the awards can statutorily be paid. The warrants should be paid from those funds rather than transferring to another fund to make the payment.

Further, state statutes require that expenditures from the Sheriff Commissary Fund be made only for jail improvements. When funds are transferred and comingled with other revenue streams, it cannot be determined that the funds were spent in accordance with statutory requirements.

Management Response:

District 1 Commissioner: The temporary transfer of funds will be established through a formal written process that is documented by the responsible county officers.

District 2 Commissioner: We will be more vigilant to ensure funds are repaid to the cash fund where they originated.

District 3 Commissioner: We will implement the procedure to repay the money transferred from County General fund for Safety Awards, to be repaid by the end of the fiscal year to County Highway cash.

County Clerk: Safety Awards transfers were addressed with the previous audit. Statute states that County General Fund may pay Safety Awards. However, not all county employees are paid from County General Fund.

County Treasurer: As for the safety award transfer, I was directed to do so by resolution and approved transfer sheets. The \$58,397 was not to be paid back to the Commissary account. I was directed to put the funds into the Sheriff Commissary fund and then transfer into the Sheriff Fee Cash fund.

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Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. Internal controls should be designed to analyze and check accuracy, completeness, and authorization of transactions.

An important aspect of internal control is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process, affected by the entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or untimely detection of unauthorized acquisition, use, or disposition of the entity's assets and safeguarding assets from loss, damage, or misappropriation.

Further, Title 19 O.S. § 180.43 (D), states in part,

D. Each county sheriff may operate, or contract the operation of, a commissary for the benefit of persons lawfully confined in the county jail under the custody of the county sheriff. Any funds received pursuant to said operations shall be the funds of the county where the persons are incarcerated and shall be deposited in the Sheriff's Commissary Account. The sheriff shall be permitted to expend the funds to improve or provide jail services. The sheriff shall be permitted to expend any surplus in the Sheriff's Commissary Account for administering expenses for training equipment, travel or for capital expenditures.

Finding 2015-3 – Inadequate Internal Controls Over Reporting – Schedule of Expenditures of Federal Awards

Condition: The County has not designed and implemented formal internal controls for the reporting of its federal programs as required by OMB Circular A-133.

During our review and reconciliation of the Schedule of Expenditures of Federal Awards (SEFA) as initially prepared by Logan County, the following was noted:

- CFDA #97.042 – Emergency Management Performance Grants receipts were understated by \$5,000 and disbursements were understated \$5,000.
- CFDA #20.601 – National Highway Safety receipts were understated by \$3,014 and disbursements were understated by \$3,014.
- CFDA #97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters) FEMA has a beginning balance for FY15 that is \$79,216 more than the ending balance of FY14. Disbursements were overstated \$4,785.
- CFDA #16.922 – Federal Equitable Sharing Program grant disbursements were understated by \$2,389.
- CFDA #97.046 – Fire Management Assistance Grant receipts were understated by \$234,874.

These errors resulted in receipts to be understated \$242,888, expenditures to be overstated \$5,618 on the Schedule of Expenditures of Federal Awards. Also, the beginning balance for CFDA 97.036 was \$79,216 more than the ending balance in fiscal year 2014.

**LOGAN COUNTY
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Cause of Condition: Policies and procedures have not been designed and implemented to ensure compliance with grant requirements and proper reporting of receipts and expenditures of federal grant funds.

Effect of Condition: This condition resulted in misstatements of the Schedule of Expenditures of Federal Awards.

Recommendation: OSAI recommends the County establish procedures to ensure all Federal awards are properly accounted for and reported on the Scheduled of Expenditures of Federal Awards.

Management Response:

Chairman of the BOCC: This error has been rectified and will be monitored more closely to ensure we are in compliance with reporting of SEFA funds.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, an accurate record of federal expenditures should be maintained.

OMB A-133, Subpart C, §___.300(b)(d) reads as follows:

Subpart C—Auditees

§___.300 Auditee responsibilities.

The auditee shall:

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

(d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with §___.310.

Additionally, FEMA Public Assistance Guide; Chapter 5, page 137, Project Management, Record Keeping states in part:

It is critical that the applicant establish and maintain accurate records of events and expenditures related to disaster recovery work...This information should include the completed PW; completed Special Considerations Questions form; estimated and actual costs; force account labor; force account equipment, materials, and purchases; photographs of damage, work underway, and work completed; insurance information; environmental and/or historic alternatives and hazard mitigation opportunities.

REPORT ON STATUTORY COMPLIANCE – OTHER MATTERS



Oklahoma State Auditor & Inspector

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Logan County
Board of County Commissioners
Logan County Courthouse
Guthrie, Oklahoma 73044

Dear Chairman:

For the purpose of complying with 19 O.S. § 171 and 20 O.S. § 1312, we have performed statutory procedures regarding the following offices and departments for the fiscal year ended June 30, 2015:

- All County Offices - Fixed Assets procedures (19 O.S. § 178.1 and 69 O.S. § 645).
- All County Offices - Consumable Inventories procedures (19 O.S. § 1502 and 19 O.S. § 1504).
- Court Clerk procedures (20 O.S. § 1304 and 19 O.S. § 220).
- Inmate Trust Fund procedures (19 O.S. § 531 and 19 O.S. § 180.43).

Our statutory compliance engagement was limited to the procedures related to the statutes above and was less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, we do not express an opinion on any basic financial statement of Logan County.

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

This report is intended for the information and use of the management of the County. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in blue ink that reads "Gary A. Jones".

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

April 6, 2017

**LOGAN COUNTY, OKLAHOMA
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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2015-10 – Inadequate Internal Controls and Noncompliance Over the Inmate Trust Checking Account and Sheriff Commissary Funds (Repeat Finding)

Condition: Regarding the Inmate Trust Checking account, the following was noted:

- One employee issued receipts, prepared and made deposits, and performed all daily activities.
- Inmate ledger balances were not reconciled to the bank statement.
- Deposits were not made on a daily basis.
- Two (2) receipts selected during test work could not be traced to a deposit and were not voided.
- Unidentified profit was not transferred to the Commissary Fund in a timely manner.
- An Annual Commissary Report was not filed with the Board of County Commissioners by January 15th of each year.
- Inmate Trust Checking Account checks were issued for unauthorized expenditures and deposited into Sheriff Service Fee fund.
- There is no policy or procedure regarding unclaimed funds.

Cause of Condition: Policies and procedures have not been designed in implemented regarding over the Inmate Trust Checking Account and Sheriff Commissary Fund.

Effect of Condition: These conditions resulted in noncompliance with state statutes. Also, without proper accounting and safeguarding of the Inmate Trust Checking Account, there is an increased risk of misappropriation of funds.

Recommendation: Regarding the Inmate Trust Fund Checking Account, OSAI recommends that the County Sheriff deposit inmate funds daily, reconciliation of the inmate ledger to the bank statements and have bank reconciliations reviewed by someone other than the preparer. Also, we recommend that disbursements only be made to the Sheriff's Commissary Fund and to the inmate in accordance with 19 O.S. § 531.A. OSAI recommends that the Sheriff follow the disposition procedures for unclaimed property or money in Sheriff's possession as outlined in 22 O.S. § 1325. Further, OSAI recommends the Sheriff include beginning and ending balances, deposits, and disbursements of the Sheriff's Commissary Account in their annual report to the Commissioners in accordance with 19 O.S. § 180.43.D.

Management Response:

County Sheriff: The office has made the following changes:

- The detention deputy issues receipts, the Jail Administrative Assistant prepares the deposit and then a second employee verifies the deposit and signs off on deposit, then the deposit is made.
- Due to lack of training the employee felt that the bank statement was reconciled correctly. This issue has since been addressed and is currently in the process of being corrected.
- Deposits are now being made on a daily basis, pending no extreme circumstances.
- The account is currently under audit to determine what funds need to be transferred.

**LOGAN COUNTY, OKLAHOMA
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- Our office was unaware that an Annual Commissary Report needed to be filed with the BOCC. We will address this issue and submit an Annual Commissary Report from this date on.
- This resulted from a miscommunication, and has since been corrected.
- We are willing to discuss how to implement a policy or procedure regarding unclaimed funds.

Criteria: Effective accounting procedures and internal controls are necessary to ensure stewardship and accountability of public funds. Safeguarding controls are an aspect of internal controls. Safeguarding controls relate to the prevention or timely detection of unauthorized transaction and unauthorized access to assets. Failure to perform tasks that are part of internal controls, such as reconciliations not performed or not timely prepared, are deficiencies in internal control. Further, reconciliations should be performed on a monthly basis.

Effective internal controls should provide for procedures wherein receipts for the monies collected are maintained and available for inspection and deposits are made in a timely manner.

Title 19 O.S. § 531.A states, “A. Notwithstanding any other provisions of law, the county sheriff may establish a checking account, to be designated the "Inmate Trust Fund Checking Account", to be managed by the county sheriff and maintained separately from regular county funds. The checking account shall be subject to audit by the State Auditor and Inspector. The county sheriff shall deposit all monies collected from inmates incarcerated in the county jail into this checking account and 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.”

Title 22 O.S. § 1325(F, H) states, “F. A sheriff's office having in its possession money or legal tender under the circumstances provided in subsection A of this section, prior to appropriating the same for deposit into a special fund, shall file an application in the district court of its county requesting the court to enter an order authorizing it to so appropriate the money for deposit in the special fund. The application shall describe the money or legal tender, together with serial numbers, if any, the date the same came into the possession of the sheriff's office or campus police agency, and the name and address of the owner, if known. Upon filing, the application, which may be joined with an application as described in subsection C of this section, shall be set for hearing not less than ten (10) days nor more than twenty (20) days from the filing thereof, and notice of the hearing shall be given as provided in subsection D of this section. The notice shall state that, upon no one appearing to prove ownership to the money or legal tender, the same will be ordered by the court to be deposited in the special fund by the sheriff's office or campus police agency. The notice may be combined with a notice to sell personal property as set forth in subsection D of this section. At the hearing, if no one appears to claim and prove ownership to the money or legal tender, the court shall order the same to be deposited by the sheriff's office or campus police agency in the special fund, as provided in subsection H of this section.”

H. The money received from the sale of personal property as above provided, after payment of the court costs and other expenses, if any, together with all money in possession of the

**LOGAN COUNTY, OKLAHOMA
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sheriff's office or campus police agency, which has been ordered by the court to be deposited in the special fund, shall be deposited in such fund which shall be separately maintained by the sheriff's office in a special fund with the county treasurer or campus police agency to be expended upon the approval of the sheriff or head of the campus police agency for the purchase of equipment, materials or supplies that may be used in crime prevention, education, training or programming.

Title 19 O.S. § 180.43.D states, "D. Each county sheriff may operate, or contract the operation of, a commissary for the benefit of persons lawfully confined in the county jail under the custody of the county sheriff. Any funds received pursuant to said operations shall be the funds of the county where the persons are incarcerated and shall be deposited in the Sheriff's Commissary Account. The sheriff shall be permitted to expend the funds to improve or provide jail services. The sheriff shall be permitted to expend any surplus in the Sheriff's Commissary Account for administering expenses for training equipment, travel or for capital expenditures. The claims for expenses shall be filed with and allowed by the board of county commissioners in the same manner as other claims. The sheriff shall receive no compensation for the operation of said commissary. The sheriff shall file an annual report on any said commissary under his or her operation no later than January 15 of each year."



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