

**McINTOSH
COUNTY
SHERIFF
TURNOVER**

JUNE 4, 2009

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
TERRY JONES
McINTOSH COUNTY SHERIFF
JUNE 4, 2009**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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June 17, 2009

BOARD OF COUNTY COMMISSIONERS
McINTOSH COUNTY COURTHOUSE
EUFAULA, OKLAHOMA 74432

Transmitted herewith is the McIntosh County Sheriff Officer Turnover Statutory Report for June 4, 2009. 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".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

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Terry Jones
McIntosh County Sheriff
McIntosh County Courthouse
Eufaula, Oklahoma 74432

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for June 4, 2009:

- Verify that equipment items on hand agree with inventory records as per 19 O.S. § 178.1.
- 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, a monthly report of the Office was on file with the County Clerk. With respect to equipment items on hand agreeing with inventory records, the Officer's depository account balances reconciling with the County Treasurer's records, undeposited cash reconciling to receipts, the Sheriff making daily deposits, and segregation of duties, our findings are included in the accompanying schedule of findings and responses.

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.

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

June 9, 2009

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2009-1 – Fixed Assets Inventory

Criteria: 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 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 custody of the county or 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...”

Condition: It was noted that a complete and accurate inventory of all office furniture and equipment was not maintained. We were unable to locate the following items:

1. Panasonic Spectrum—Serial Number 931-D290084
2. Gateway Computer—Serial Number 0029730634
3. Dell Computer—Serial Number KR004PJR47602153AZ
4. Global Lease Printer—Serial Number JPGL026384

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

Recommendation: OSAI recommends equipment inventory information be periodically reviewed, reconciled, and updated to detect errors and to maintain an accurate inventory record. Additionally, OSAI recommends that the disposition or location of the items unable to be located be researched and corrected.

Views of responsible officials and planned corrective actions: As discussed with OSAI, the new Sheriff will be performing a complete inventory, and try to locate the missing equipment.

Finding 2009-2 – Official Depository Ledger

Criteria: Safeguarding controls are an aspect of internal control. Safeguarding controls relate to the prevention or timely detection of unauthorized transactions and unauthorized access to assets. Failure to perform tasks that are part of internal controls, such as maintaining official depository ledgers and reconciling them to the County Treasurer's official depository ledger, are deficiencies in internal control. Further, account reconciliations should be performed on a monthly basis.

Condition: The County Sheriff does not keep a ledger that can be reconciled with the County Treasurer's Official Depository Ledger.

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

Recommendation: OSAI recommends that the County Sheriff maintain an Official Depository ledger and reconcile with the County Treasurer's ledger on a monthly basis.

Views of responsible officials and planned corrective actions: The newly elected Sheriff said he would keep an Official Depository ledger and reconcile it with the County Treasurer's ledger on a monthly basis.

Finding 2009-3—Daily Deposits

Criteria: Statutory control requirements have been established for county government for the depositing of funds. Title 19 O.S. § 682 states, "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..."

Condition: While performing cash compositions for the Sheriff's Official Depository Account, it was noted that the Sheriff does not make daily deposits.

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

Recommendation: OSAI recommends that all receipts collected under the color of office be deposited in the officer's official depository account daily.

Views of responsible officials and planned corrective actions: The new Sheriff stated he would work to ensure that all monies were deposited daily.

Finding 2009-4 – 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 personnel and testwork 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.

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Effect: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends management be aware of these conditions and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management's knowledge of office operations and a periodic review of operations.

Views of responsible officials and planned corrective actions: Our office is taking measures to correct this problem. We are looking at options to adequately segregate these duties.



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