



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Jeff A. McMahan
State Auditor and Inspector

Honorable Drew Edmondson
Attorney General
State of Oklahoma
Room 112, State Capitol
Oklahoma City, Oklahoma 73105

Dear Mr. Edmondson:

Pursuant to the Attorney General's request and in accordance with the requirements of **74 O.S. 2001, § 18f**, we performed a special audit with respect to the Muskogee County District Attorney's office.

The objectives of our special audit primarily included but were not limited to, the existence of inventories, accounts, property and safe combinations. Our findings and recommendations related to these procedures are presented in the accompanying report.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on the account balances or financial statements of the Muskogee County District Attorney's office. Further, due to the test nature and other inherent limitations of a special audit report, together with the inherent limitations of any internal control structure, there is an unavoidable risk that some material misstatements may remain undiscovered. This report relates only to the accounts and items specified above and do not extend to any financial statements of the District Attorney's office taken as a whole.

This report is intended solely for the information and use of the Attorney General, and the Administration of the Muskogee County District Attorney's office 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. 2001, § 24A.1 et seq.)**, and shall be open to any person for inspection and copying.

Sincerely,

A handwritten signature in blue ink that reads "Jeff A. McMahan".

JEFF A. McMAHAN, CFE
State Auditor and Inspector

January 8, 2007

CONCERN:

- **The existence of inventories, accounts, property and safe combinations.**

FINDING (1): Non-Existent property inventory of seized and/or forfeited property.

The office did not have a formal property inventory of seized and forfeited property. They provided us with case files that contained orders and documentation pertaining to seized and forfeited items. However, not all the property was tagged and easily traceable to case files.

Title 63 O.S. § 2-503G states: "Any agency that acquires seized or forfeited property or money shall maintain a true and accurate inventory and record of all such property seized pursuant to this section."

And **Title 63 O.S. § 2-506K** states in part: "Property taken or detained under this section shall not be repleviable, but shall be deemed to be in the custody of the office of the district attorney of the county wherein the property was seized, subject only to the orders and decrees of the court or the official having jurisdiction thereof; said official shall maintain a true and accurate inventory and record of all such property seized under the provisions of this section..."

RECOMMENDATION:

We recommend that the current District Attorney inventory all the property located at the District Attorney's Office warehouses, wreckers services, offices, desks, vaults, storage rooms and storage buildings.

FINDING (2): Unable to identify source of funds for all of the Revolving Accounts.

We were able to obtain account information from the Muskogee County Treasurer's Office, Muskogee County Clerk's Office and the District Attorney's Council as follows: a list of District Attorney Revolving Account names (approximately 20 accounts) as of 11-30-06 (Muskogee County Treasurer's Office); a copy of the ledgers of the District Attorney's Maintenance and Operating and Law Library accounts (Muskogee County Clerk's Office); and a copy of the District Attorney's state appropriations account ledger for December 2006 (District Attorney's Council).

We performed the audit December 27-29, 2006. Therefore, the December 2006 Treasurer's report for the county accounts had not been prepared at that time.

Due to time constraints, we were unable to identify the source of funds of the District Attorney Revolving Accounts. The November 2006 ledger indicated that 15 of the accounts had balances.

RECOMMENDATION:

We recommend that the District Attorney's Office identify the source of funds prior to expending any funds from these accounts.

FINDING (3): Office equipment inventory.

We were able to obtain a list of computer equipment, provided to the District Attorney's Office by the District Attorney's Council. We verified the computer equipment on this list.

After we requested an inventory of other office equipment, the District Attorney's Office personnel prepared lists of other equipment and furniture located in their respective offices and vehicles.

Title 74 O.S. § 1101. states in part:

A. The Department of Central Services shall maintain a current inventory of tangible assets owned by state boards, commissions, institutions, agencies and the institutions comprising The Oklahoma State System of Higher Education and the University Hospitals Authority.

B. The Director of Central Services shall have authority to promulgate rules to implement the provisions of this section.

C. For entities included in subsection A of this section, the Director of Central Services shall specify a tangible asset reporting threshold for each entity, not to exceed the federal capitalization rate specified in the Office of Management and Budget Circular A-21 or future federal circulars or regulations as amended. When establishing the tangible asset reporting threshold for an entity, the Director of Central Services shall consider the entity's capability to provide tangible asset records, finance and accounting systems, inventory accuracy and other pertinent factors.

D. Tangible assets shall consist of machinery, implements, tools, furniture, livestock, vehicles and other apparatus that may be used repeatedly...

Title 19 O.S. § 215.30B. states in part:

B. All appointees and employees of district attorneys, except special district attorneys appointed pursuant to subsection C of Section 215.37M of this title, shall be deemed to be state officers or employees for all purposes...

Title 19 O.S. § 215.37 states:

Purchases made from district attorney appropriations shall be made in accordance with the procedures prescribed by statute for county officers, departments and agencies except that neither the purchases nor the expenditures for such purchases shall be subjected to the approval of the board of county commissioners. It shall be the mandatory duty for the designated county officials to issue, sign, attest, register and pay the warrants required to pay such obligations.

Title 19 O.S. § 1502 states in part:

A. 1. The State Auditor and Inspector or a designated employee of the State Auditor and Inspector's office shall:

a. prescribe a uniform identification system for all supplies, materials and equipment of a county used in the construction and maintenance of roads and bridges; and

b. create and administer an inventory system for all:

(1) equipment of a county having an original cost of Five Hundred Dollars (\$500.00) or more for use in the construction and maintenance of roads and bridges, and

(2) supplies and materials of a county purchased in lots of Five Hundred Dollars (\$500.00) or more for use in the construction and maintenance of roads and bridges.

RECOMMENDATION:

We recommend that the District Attorney prepare and maintain a current inventory.

FINDING (4): Existence of safe combinations.

We did not take possession of any keys or safe combinations. We requested that the District Attorney's employees leave a list of the storage facilities and locations along with the keys and safe combinations for the incoming staff.

No recommendation.