



PAWNEE COUNTY SHERIFF TURNOVER

Statutory Audit

January 11, 2021

Cindy Byrd, CPA
State Auditor & Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
MIKE WATERS
PAWNEE COUNTY SHERIFF
JANUARY 11, 2021**

This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 19 O.S. § 171, has not been printed, but is available on the agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.

March 17, 2021

BOARD OF COUNTY COMMISSIONERS
PAWNEE COUNTY COURTHOUSE
PAWNEE, OKLAHOMA 74058

Transmitted herewith is the Pawnee County Officer Turnover Statutory Report for January 11, 2021. 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,



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



Mike Waters
Pawnee County Sheriff
Pawnee County Courthouse
Pawnee, Oklahoma 74058

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for January 11, 2021:

- 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.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

March 1, 2021



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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2021-001 - Lack of Internal Controls and Noncompliance Over Fixed Assets

Condition: Upon inquiry and observation of fixed assets inventory, we noted the following exceptions:

- An inventory report was not provided to Auditors the day of the scheduled Turnover Audit.
- An annual inventory report was not on file with the County Clerk.
- All items were not marked with a county identification number.

Cause of Condition: Policies and procedures have not been adequately designed and implemented to ensure compliance with state statutes regarding the maintaining, reporting, and properly identifying fixed assets.

Effect of Condition: These conditions resulted in noncompliance with state statutes. When fixed asset inventory reports are not maintained, filed with the County Clerk and equipment is not properly marked with county identification numbers, opportunities for misuse or loss of equipment can occur.

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends the County sheriff design and implement internal controls to ensure compliance with state statutes, by maintaining inventory records, filing annual inventory reports with the County Clerk, and marking fixed assets with county identification numbers. OSAI additionally recommends that periodic fixed assets inventory verifications be conducted and documented with the initials and date of the employees conducting and reviewing the verification.

Management Response:

Outgoing Sheriff: The inventory book was left in the County's Sheriff's office. I was unaware that it needed to be filed in the County Clerk's office. I would have filed it with the County Clerk if I knew. Inventory was not marked with a county identification number.

Criteria: The United States Government Accountability Office's Standards for Internal Control in the Federal Government (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasi-governmental entities.

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The GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV 2.24 states in part:

Safeguarding of Assets

A subset of the three categories of objectives is the safeguarding of assets. Management designs an internal control system to provide reasonable assurance regarding prevention or prompt detection and correction of unauthorized acquisition, use, or disposition of an entity’s assets.

The GAO Standards – Principle 10 – Design Control Activities – 10.03 states in part:

Physical control over vulnerable assets

Management establishes physical control to secure and safeguard vulnerable assets. Examples include security for and limited access to assets such as cash, securities, inventories, and equipment that might be vulnerable to risk of loss or unauthorized use. Management periodically counts and compares such assets to control records.

Title 19 O.S. § 1502(B)(1), requires a prescribed uniform identification system for all supplies, materials, and equipment of a county not used in the construction and maintenance for roads and bridges.

Title 19 O.S. § 178.2 requires every county officer to take, record, maintain and report inventories of properties in their respective custody. Such inventory shall be filed with the County Clerk.

Title 69 O.S. § 645, all county owned, rented, or leased road machinery or equipment be clearly and visibly marked “Property Of” ...

O·K·L·A·H·O·M·A
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STATE AUDITOR & INSPECTOR



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