

**PONTOTOC
COUNTY SHERIFF
TURNOVER**

DECEMBER 29, 2008

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
PETE PETERSON
PONTOTOC COUNTY SHERIFF
DECEMBER 29, 2008**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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April 9, 2009

BOARD OF COUNTY COMMISSIONERS
PONTOTOC COUNTY COURTHOUSE
ADA, OKLAHOMA 74820

Transmitted herewith is the Pontotoc County Sheriff, Officer Turnover Statutory Report for December 29, 2008. 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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Mr. Pete Peterson
Pontotoc County Sheriff
Pontotoc County Courthouse
Ada, Oklahoma 74820

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for December 29, 2008:

- Verify that equipment items on hand agree with inventory records as 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 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, the amount of total claims approved for the operation of said Office was not in excess of limitations; a monthly report of the Office is on file with the County Clerk; the Officers' depository account balances reconciled with the County Treasurer's records and undeposited cash reconciled to receipts. With respect to equipment items on hand agreeing with inventory records and the matter of 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". The signature is written in a cursive style with a large initial "S".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

March 3, 2009

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2009-1 – Fixed Assets Inventory

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 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: OSAI obtained an inventory list from the commissioner's secretary, and of the items listed OSAI was unable to locate a Savage Scout R10 Rifle, Serial Number F835824 and Night Vision Scope, Serial Number RS0108.

Also, five night vision scopes were verified by OSAI during the prior administration's turnover exit report engagement dated December 28, 2004. Of the night vision scopes previously verified, OSAI was now unable to locate four of those scopes, three with serial numbers 940060, RS0109, N941428, and one scope with no serial number listed.

In addition, the following items were listed as unable to be located in the December 28, 2004, turnover exit report. These items are still listed on the Sheriff's inventory records.

- Secretary's Desk; no serial number on file
- Sony digital camera; Serial Number S01029635C
- Xerox fax copier and printer; Serial Number ONH015083
- Two computers; Serial Number Z1789501006299 and Z1789501006209
- Motorola P200 Walkie Talkie; Serial Number 792TQU1184
- Semi-auto pistol; no serial number on file
- Motorola GP300; no serial number on file
- Mythos Camera Monitor; Serial Number 96070670E

Further, OSAI noted an additional 77 items that were not listed; therefore, the inventory has not been updated on a current basis. Items included vehicles, guns, computer equipment, a travel trailer, and various other items.

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Also, the inventory sheets section entitled "record for items disposed of" did not always completely document the disposition of the item.

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

Recommendation: OSAI recommends that the location or the disposition of these items be investigated and that the inventory records be updated accordingly. Additionally, OSAI recommends that the Board of County Commissioners cause a biennial inventory to be taken of all working tools, apparatus, machinery and equipment belonging to the County Sheriff and such inventories be documented on State Auditor and Inspectors' form #3512 and filed with the County Clerk accordingly.

Views of responsible officials and planned corrective actions: We concur with the OSAI findings. A thorough investigation will be conducted as to any missing items. Inventory records will be updated and filed on the appropriate forms with the County Clerk.

Finding 2009-2 – Surplus Equipment

Criteria: Title 19 O.S. § 421.1 prescribes the procedures to be used by the Board of County Commissioners to sell equipment at public auction or by sealed bids.

Condition: It was noted that a county vehicle was sold to a used car dealer without being advertised for bids.

Effect: This condition could result in improprieties in the disposition of county equipment.

Recommendation: OSAI recommends that surplus equipment be sold in accordance with the procedures prescribed by state statute.

Views of responsible officials and planned corrective actions: We concur with the OSAI findings. Our office is taking measures to correct this problem. Our office will dispose of surplus equipment in accordance with state statutes in the future.

Finding 2009-3 – 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.

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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.

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

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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