


STATUTORY REPORT

PUSHMATAHA COUNTY SHERIFF TURNOVER

July 21, 2016

A photograph of the Oklahoma State Capitol dome, showing the top portion of the structure with its columns and the statue on top, set against a blue sky with white clouds.

*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

**COUNTY OFFICER TURNOVER STATUTORY REPORT
TERRY DUNCAN
PUSHMATAHA COUNTY SHERIFF
JULY 21, 2016**

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.



Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

August 11, 2016

BOARD OF COUNTY COMMISSIONERS
PUSHMATAHA COUNTY COURTHOUSE
ANTLERS, OKLAHOMA 74523

Transmitted herewith is the Pushmataha County Officer Turnover Statutory Report for July 21, 2016. 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,

A handwritten signature in blue ink, appearing to read "Gary A. Jones".

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



Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

Terry Duncan
Pushmataha County Sheriff
Pushmataha County Courthouse
Antlers, Oklahoma 74523

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for July 21, 2016:

- Verify that equipment items on hand agree with inventory records maintained 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.
- Verify that the Inmate Trust Ledger is balanced to the Inmate Trust Fund Checking Account bank statement and monthly reconciliations are performed.
- Verify that the Sheriff maintains an evidence locker log, that evidence locker entrance is restricted, and document who has access (keys or combination) to the evidence locker.
- Verify the Sheriff maintains a log of all county owned property, including weapons, uniforms, etc. and to whom it is issued.
- Verify that the Sheriff has entered all confiscated vehicle license plates into the Oklahoma Temporary Motorist Liability Plan system.
- Verify that the Sheriff is maintaining an inventory of telephone calling cards and that the proceeds are reconciled to sales and deposited into the Sheriff Service Fee.

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.

A handwritten signature in blue ink, appearing to read "Gary A. Jones".

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

July 25, 2016

**COUNTY OFFICER TURNOVER STATUTORY REPORT
TERRY DUNCAN
PUSHMATAHA COUNTY SHERIFF
JULY 21, 2016**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2016-1 – Inadequate Internal Controls and Noncompliance Over Fixed Assets Inventory

Condition: While performing a review of the Sheriff’s office fixed assets inventory, we noted the following:

- The Sheriff’s office did not perform and maintain an accurate inventory record.
- The Sheriff’s office does maintain an inventory on file with the County Clerk; however, it is not kept up to date.
- The County Clerk gave the original fixed asset inventory cards that were on file in her office to the County Sheriff’s office. The inventory cards were kept in the Sheriff’s office for a period of time and then returned to the County Clerk in July 2016.
- The County Sheriff did not maintain an up-to-date inventory list for items issued to each deputy. Also, the County Sheriff did not maintain an inventory list of County property in his possession. Because a complete inventory assignment record is not maintained, OSAI could not determine if uniforms, boots, caps, and other items are returned by the employees at the time of separation.
- While visually verifying the fixed assets we were unable to locate the following twenty-two (22) items:

Equipment Type	Serial Number or ID Number
2007 Ford F-150	1FTPX12V57KC85303
2007 Ford F-150	1FTPX12V57KC85305
2005 Chevrolet Silverado	1GCHK29U85E318070
Gator Hawk body armor	OO6
American body armor	Unknown/None
Second Chance body armor	Unknown/None
Second Chance body armor	Unknown/None
Protective Service body armor	61626
Vision body armor	240845
Vision body armor	40431
Dell computer with Hann monitor	X16-96076
Motorola handheld radio	YO259
Motorola mobile radio	103TFYV452
Motorola 4CH radio	922TGY3455
Motorola 64 CH radio	103TGY2213
Motorola 64 CH radio	103TGY2198
Motorola 64 CH radio	103TGY2199
VHF 40W mobile radio	507T23953A
Hotpoint range	Unknown/None

COUNTY OFFICER TURNOVER STATUTORY REPORT
TERRY DUNCAN
PUSHMATAHA COUNTY SHERIFF
JULY 21, 2016

Equipment Type	Serial Number or ID Number
Continental clothes dryer	710018645
STK Z4 lights	Unknown/None
6x6 storage building	None

- We were unable to locate a Glock 40 caliber pistol, serial number BSH647US. Subsequently, the Sheriff and Acting Sheriff determined that the pistol was in the possession of a former Reserve Deputy who is currently living in a different state.

Cause of Condition: Policies and procedures have not been designed and implemented with regard to effective internal controls over safeguarding of fixed assets by maintaining a current inventory list, maintaining records of inventory assigned to each employee, and filing the fixed assets inventory record with the County Clerk.

Effect of Condition: This condition resulted in noncompliance with state statutes and could result in unrecorded transactions and misappropriation of assets.

Recommendation: The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends the County Sheriff maintain a current inventory list and file such list with the County Clerk as required by 19 O.S. § 178.2. In addition, OSAI recommends the County Sheriff maintain a current and accurate list of items issued to each deputy. Also, management of the County shall take steps to ensure all inventory purchases of the County Sheriff’s office are physically verified to ensure the location of the assets.

Management Response:

County Sheriff:

- Steps have already been taken to ensure that from now on an accurate inventory record will be kept. A new policy will ensure that an up-to-date inventory will be on file with the County Clerk.
- When the County Clerk informed us that we had their original inventory cards, we returned them back to the County Clerk’s office as soon as they were found.
- A new policy has been enacted to maintain an up to date inventory on all deputies and reserves on the inventory that they have in their possession.
- After it was brought to our attention the paperwork on the three (3) unable to locate vehicles was found in the County Clerk’s office. This documentation was e-mailed to OSAI to ensure that everything was done correctly to dispose of these vehicles. The body armor in question, I believe is in the possession of reserve deputies that could not be notified to bring it in on short notice. I believe that the Dell computer was taken by a former employee that has been charged with embezzlement. It is my belief that that the missing radios were given or loaned to Oklahoma Highway Patrol Troopers and District 17 Drug Task Force agents by a former deputy. The Hotpoint range and the Continental dryer were removed from the jail by the County maintenance man, because they were inoperable and when questioned about the equipments whereabouts, he stated that he could not remember where they were taken. The STK Z4 lights were cannibalized by multiple deputies and used to fix lights on their units. The 6x6 storage building was in bad

COUNTY OFFICER TURNOVER STATUTORY REPORT
TERRY DUNCAN
PUSHMATAHA COUNTY SHERIFF
JULY 21, 2016

disrepair and when the county maintenance man moved it to fix an emergency sewer leak from the jail, the building fell apart.

- The Glock 40 caliber pistol (serial number BSH647US) was located in the possession of a former reserve deputy who was out of the state. The pistol has now been returned to the Sheriff's office.

Auditor Response: The County Sheriff should maintain a current inventory to safeguard the County's assets and comply with state statutes.

Criteria: 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 acquisition, use, or disposition of fixed assets, and safeguard fixed assets from loss, damage, or misappropriation.

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 a 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 the custody of the county or of 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 annually thereafter, or oftener in event of death, resignation or removal of an elective officer with a term, to verify or cause to be verified by count and report of the same as of the end of a term of office and as part and parcel of the accounting required by law of a retiring or re-elected officer, and, as to appointive heads of departments amenable directly to the board of county commissioners and as to quasi-governmental boards and commissions such as free fair boards, hospital boards and the like, the same shall be as of the last business day immediately preceding the day certain commencing a new term of the board of county commissioners; all in the manner as provided by law."

Title 19 O.S. § 178.2 states, "It shall be and is hereby made the duty of every county officer, board, commission, or department, and by record directive of the board of county commissioners may be made the duty of any employee of the board of county commissioners subject to summary discharge and removal by the board, to conform in all respects and be amenable to all uniform resolutions adopted by their respective boards of county commissioners directing the taking, recording, maintaining and reporting inventories of properties in their respective custody in accordance with the provisions of this act. It shall be the duty and responsibility of each elected county official to create and

COUNTY OFFICER TURNOVER STATUTORY REPORT
TERRY DUNCAN
PUSHMATAHA COUNTY SHERIFF
JULY 21, 2016

maintain inventory records of said office. Such inventory shall be filed with the county clerk.”

Finding 2016-2 – Inadequate Internal Controls and Noncompliance Over Inmate Trust Fund Checking Account

Condition: While reviewing the County Sheriff’s Inmate Trust Fund Checking Account, we noted the following:

- Inmate trust fund ledgers were not maintained in a manner that reflects each inmate’s deposits, disbursements, and account balances, from January 2016 to June 2016.
- Monthly bank reconciliations for the Inmate Trust Fund Checking Account were not performed.
- The inmate trust fund ledger was not reconciled to the Inmate Trust Fund Checking Account bank statement.
- Collections were not deposited daily.
- We noted that the one hundred dollars (\$100.00) beginning cash, that the County Sheriff’s office had during the last audit performed, was missing.

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

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

Recommendation: OSAI recommends the following:

- Inmate Trust fund monies should be maintained in a manner that reflects each inmate’s trust deposits, disbursements, and account balances. The inmate’s ledger balances should be reconciled to the bank statements each month. All funds received should be deposited to the Inmate Trust Fund Checking Account daily.
- A reconciliation of the bank statement should be performed monthly.
- The Sheriff’s office should investigate the missing cash and determine its disposition.

Management Response:

County Sheriff: The Inmate Trust monies will be maintained in a way that shows deposits, disbursements, and account balances. Inmate’s ledger balances will be reconciled to the bank statements each month. All funds will be deposited to the inmate trust fund checking account daily. The reconciliation of the bank statement will be performed monthly. The Sheriff’s office will investigate the missing beginning cash and determine the disposition of said cash.

COUNTY OFFICER TURNOVER STATUTORY REPORT
TERRY DUNCAN
PUSHMATAHA COUNTY SHERIFF
JULY 21, 2016

Criteria: Accountability and stewardship are overall goals of management in accounting of funds. To help ensure a proper accounting of funds, ledgers should be maintained to reflect current balances, bank reconciliations should be performed each month, and funds should be deposited daily.

Title 19 O.S. § 531 A. states in part, “The county sheriff may establish a checking account, to be designated the “Inmate Trust Fund Checking Account.” 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 the 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.”

Finding 2016-3 – Inadequate Internal Controls Over the Evidence Locker

Condition: Upon inquiry and observation of the County Sheriff’s evidence locker, the following exceptions were noted:

- Evidence was not always located in a single controlled environment.
- The County Sheriff’s office does not maintain an up to date inventory list for each deputy, therefore, they were unable to verify exactly how many keys exist or who has access to the evidence locker.

Cause of Condition: Policies and procedures have not been designed and implemented regarding internal controls over the evidence locker.

Effect of Condition: These conditions could result in unrecorded transactions and misappropriation or loss of evidence.

Recommendation: OSAI recommends that an accurate evidence log be maintained. This log should be detailed with the date, case number, arresting agency, arresting officer, and the current location where the evidence is to be stored. Additionally, the access and keys to the evidence locker should be restricted to key personnel only.

Management Response:

County Sheriff: All evidence collected will be maintained in a single controlled environment whenever possible. Some evidence is too large to be locked up in our small evidence locker, such as gasoline generators, lawn mowers, propane cylinders, ATV’s, etc. Therefore, we have no choice but to lock them up in a separate location. A ledger will be maintained for each deputy to sign for issuance and return of a key opening the evidence locker.

Criteria: Accountability and stewardship are overall goals of management in accounting of evidence. To help ensure a proper accounting of evidence, a log should be prepared and maintained in a sufficient manner to identify all pertinent information for the case.

COUNTY OFFICER TURNOVER STATUTORY REPORT
TERRY DUNCAN
PUSHMATAHA COUNTY SHERIFF
JULY 21, 2016

Finding 2016-4 – Inadequate Internal Controls and Noncompliance Over Confiscated Vehicle License Plates

Condition: Upon inquiry and observation of the County Sheriff’s confiscated vehicle license plates, we noted the following:

- The County Sheriff’s office does not maintain a log for confiscated vehicle license plates.
- The acting County Sheriff stated that there was one confiscated vehicle license plate that was turned into the Sheriff’s office and it could not be located.

Cause of Condition: Policies and procedures have not been designed and implemented regarding internal controls over confiscated vehicle license plates.

Effect of Condition: This condition resulted in noncompliance with state statute.

Recommendation: OSAI recommends that a log of confiscated vehicle license plates be prepared and maintained. This log should state the plate number, officer, and agency performing the confiscation, date confiscated, and the date and person that logged the license plate into the Oklahoma Temporary Motorist Liability Plan system.

Management Response:

County Sheriff: Under my administration, deputies were instructed not to confiscate license plates as there are other legal ways to deal with this offense. However, in the future we will maintain a log for confiscated license plates. The license plate we had was confiscated by the Clayton Police Department. We kept the license plate for a very long time and nobody ever came to pick it up. We have now located the license plate and have it in our possession.

Criteria: Title 47 O.S. § 7-606 outlines the requirements of the County Sheriff’s responsibility for handling seized vehicle license plates.

Finding 2016-5 – Inadequate Internal Controls and Noncompliance Over Inmate Telephone Calling Cards

Condition: While performing a review of the County Sheriff’s inventory of inmate telephone calling cards, we noted the following:

- The County Sheriff does not maintain an inventory record/ledger for the telephone calling cards and the cards are not sold in sequential numerical order.
- The proceeds from the sale of the cards were not deposited into the Sheriff Cash Service Fee fund, the funds from which the cards were purchased and as required by 19 O.S. § 180.43 E.

COUNTY OFFICER TURNOVER STATUTORY REPORT
TERRY DUNCAN
PUSHMATAHA COUNTY SHERIFF
JULY 21, 2016

A similar finding was issued in the report for the last County audit. The finding in the report was also for the lack of inventory record for the telephone calling cards and for the proceeds of the sale of these cards not being deposited into the Sheriff Cash Service Fee fund.

Cause of Condition: Policies and procedures have not been designed with regard to the inmate phone card inventory and remitting the sale proceeds to the proper county fund.

Effect of Condition: These conditions resulted in noncompliance with state statute and could result in unrecorded transactions, loss of revenue, and misappropriation of funds.

Recommendation: OSAI recommends that the County Sheriff maintain an accurate inventory of the telephone calling cards. This would include maintaining the number of cards received, sold, and balance of cards on hand. Also, the cards should be issued sequentially by card number at the time of sale. Further, the proceeds for the sale of cards should be reconciled to the number of cards sold and remitted to the Sheriff Cash Service Fee fund on a monthly basis.

Management Response:

County Sheriff: The Sheriff's office will keep a record for all calling cards on hand and sale the cards in sequential numerical order. Proceeds from the sale of calling cards will be deposited into the Sheriff Cash Service Fee Fund, from which the cards were purchased.

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 calculations and/or transactions. To help ensure a proper accounting of telephone calling cards, an inventory should be kept and maintained.

Title 19 O.S. § 180.43 E states, "Each county sheriff may operate, or contract the operation of, a telephone system 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 Service Fee Account. Such funds may be expended according to the guidelines previously established for expenditures from the general fund. The claims for expenses shall be filed with and allowed by the board of county commissioners in the same manner as other claims."



OFFICE OF THE STATE AUDITOR & INSPECTOR
2300 N. LINCOLN BOULEVARD, ROOM 100
OKLAHOMA CITY, OK 73105-4896

WWW.SAI.OK.GOV