

STATUTORY REPORT

WAGONER COUNTY SHERIFF TURNOVER

January 10, 2017



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

**COUNTY OFFICER TURNOVER STATUTORY REPORT
CHRIS ELLIOTT
WAGONER COUNTY SHERIFF
JANUARY 10, 2017**

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Oklahoma State Auditor & Inspector

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May 1, 2017

BOARD OF COUNTY COMMISSIONERS
WAGONER COUNTY COURTHOUSE
WAGONER, OKLAHOMA 74467

Transmitted herewith is the Wagoner County Officer Turnover Statutory Report for January 10, 2017. 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 that reads "Gary A. Jones". The signature is written in a cursive style with a long, sweeping underline.

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



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Chris Elliott
Wagoner County Sheriff
Wagoner County Courthouse
Wagoner, Oklahoma 74467

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for January 10, 2017:

- 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 Ledgers balanced to the Inmate Trust Fund Checking Account bank statement and that monthly reconciliations are performed.
- Verify that the Sheriff maintains an evidence locker log, that the entrance to the evidence locker is restricted and document who has access (keys or combination) to the evidence locker.
- Verify that the Sheriff has entered all confiscated license plates into the Oklahoma Temporary Motorist Liability Plan system.
- Verify that the Sheriff maintains a log of all county owned property, including weapons, uniforms, etc., and to whom they are issued.
- Verify the Sheriff maintains an inventory of telephone calling cards and the proceeds are reconciled to the sales and deposited into the Sheriff Service Fee.
- Verify that the Officer has a designated first deputy or chief deputy on file with the County Clerk in accordance with 19 O.S. § 180.81

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 that reads "Gary A. Jones". The signature is written in a cursive style with a large initial "G" and a long horizontal stroke at the end.

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

March 21, 2017

**COUNTY OFFICER TURNOVER STATUTORY REPORT
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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2017-02 – 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:

- An inventory of telephone calling cards is not being maintained.
- Proceeds from the sale of the cards were not reconciled to the number of cards sold and deposited into the Sheriff Cash Service Fee fund as required by 19 O.S. § 180.43 (E).

Cause of Condition: Policies and procedures have not been designed and implemented 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: The Oklahoma State Auditor and Inspector’s Office (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: Inmate trust secretaries are now maintaining a list of received cards, cards on hand, and name of purchaser. Cards are to be issued in a sequential card number and secretaries will reconcile number of cards sold to amount deposited. All profit from phone cards will be deposited into the Sheriff Cash Service Fee fund.

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 performed 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

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shall be filed with and allowed by the board of county commissioners in the same manner as other claims.”

Finding 2017-05 – Inadequate Internal Controls Over Inmate Trust Fund Checking Account

Condition: Upon inquiry and observation of the County Sheriff’s Inmate Trust Fund Checking Account, we noted the following:

- The inmates’ ledger balance is not reconciled to the Inmate Trust Fund Checking Account.

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

Effect of Condition: Without proper accounting and safeguarding of the Inmate Trust Fund Checking Account, there is an increased risk of possible unrecorded transactions and misappropriation of funds.

Recommendation: OSAI recommends the inmates’ trust fund ledger balances be reconciled to the bank statements each month with supporting documentation verifying the amounts.

Management Response:

County Sheriff: Inmate trust secretaries are working with our commissary vendor to prepare a report of profit, inmate balances, and outstanding deposits and checks to reconcile. We will implement this process beginning April 1, 2017.

Criteria: Effective accounting procedures and internal controls are necessary to ensure stewardship and accountability of public funds. Safeguarding controls are an important aspect of internal controls. Safeguarding controls relate to the prevention or timely detection of unauthorized transaction and unauthorized access to assets. Failure to perform tasks that are part of internal controls, such as reconciliations not performed or not timely prepared, are deficiencies in internal control. Further, reconciliations should be performed on a monthly basis with documentation supporting the balances maintained and available for inspection.

Finding 2017-06 – Inadequate Internal Controls and Noncompliance Over Fixed Assets Inventory

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

- The County Sheriff’s office did not file an inventory record with the County Clerk; therefore, to verify fixed assets items on hand the County Sheriff’s inventory list was utilized.
- While visually verifying the fixed assets we were unable to locate the following sixteen (16) items:

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Sheriff Identification Code	Equipment Type	Serial Number
1843	HP Computer	2UA301098C
2549	Toshiba Laptop	Z4PWS759TTI
1984	Motorola APX Radio	527CPV2459
2021	Motorola APX Radio	527CPZ0205
2116	Harris Radio	A40137003256
2418-2419	Motorola APX Radio	527CQR3260
2570	Motorola APX Radio	481CRMB256
1025/1168	Computer	None
118	Computer	24A9130T8N
1197	Apple iPad	DN6FVA8YDFJ1
1199	Apple iPad	DN6FVJDFJ1
121	Computer	47432
122	Panasonic Toughbook	9DKYA49338
1266	Panasonic Toughbook	8B135900R
2255	Custom Built Computer	None
2736	Booking Computer	84H9J11

Cause of Condition: Policies and procedures have not been designed and implemented with regard to effective internal controls over safeguarding of fixed assets by creating and maintaining of a fixed asset inventory record on file with the County Clerk.

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

Recommendation: OSAI recommends the County Sheriff maintain a current inventory list and file such list with the County Clerk as required by 19 O.S. § 178.1 and 178.2

Management Response:

County Sheriff: We have filed an inventory list with the Wagoner County Clerk’s office as of this date. Additionally, the Wagoner County Sheriff’s office is going to conduct an investigation into the missing items listed above.

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.

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



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