



Town of Hallett

Investigative Audit Report

Why We Performed This Audit

In accordance with **74 O.S. § 212(H)**, we were engaged at the request of former District Attorney Rex Duncan to perform an investigative audit of the Town of Hallett's municipal finances. Upon taking office, current District Attorney Mike Fisher chose to honor this request.

Audit Objectives

We made inquiries and reviewed records, for the period of July 1, 2016 through June 30, 2018, to address the following concerns for the Town of Hallett (Town) and the Hallett Public Works Authority (PWA).

1. Were elections conducted according to statute and were results properly reported?
2. Were Rural Economic Action Plan grant funds managed properly?
3. Were payroll payments appropriate and properly documented?
4. Were Christmas party expenditures allowable?
5. Were Town expenditures properly approved, documented, and for appropriate purposes?
6. Was there evidence of nepotism?
7. What were the contents of the Town's safety deposit box?

Summary of Findings

- Although elections were held in accordance with statute, election results and changes to the record of elected officials due to resignations were not consistently reported to the Pawnee County Election Board.
- The Town ordinance authorizing payment for the clerk/treasurer was out-of-date resulting in payments to the previous and current clerk/treasurers that exceeded the approved monthly salary amount by \$250.
- The Town did not have a contract with the current water operator or an ordinance defining the water operator's pay and job duties.

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- The quality of records submitted by the water operator in support of work performed was of such poor quality that it was not possible to ascertain whether mileage and hourly payments made between July 2016 and June 2018, totaling \$7,011.23, were appropriate.
- The Town's use of *General Fund* money to pay for *PWA* Christmas parties in 2016 and 2017 was improper. The parties were funded in the amount of \$1,692.43 in December 2016 and \$946.31 in December 2017.
- Expenditures reviewed were properly authorized and for appropriate Town purposes but were not encumbered in a timely manner.