

STATUTORY REPORT

# LINCOLN COUNTY COMMISSIONER DISTRICT 1 TURNOVER

February 3, 2015



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

**COUNTY OFFICER TURNOVER STATUTORY REPORT  
DON SPORLEDER  
LINCOLN COUNTY COMMISSIONER  
DISTRICT 1  
FEBRUARY 3, 2015**

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# Oklahoma State Auditor & Inspector

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

February 12, 2015

BOARD OF COUNTY COMMISSIONERS  
LINCOLN COUNTY COURTHOUSE  
CHANDLER, OKLAHOMA 74834

Transmitted herewith is the Lincoln County Officer Turnover Statutory Report for February 3, 2015. 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".

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



# Oklahoma State Auditor & Inspector

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Mr. Don Sporleder  
Lincoln County Commissioner, District 1  
Lincoln County Courthouse  
Chandler, Oklahoma 74834

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for February 3, 2015:

- Verify that equipment items on hand agree with inventory records maintained per 19 O.S. § 178.1.
- Verify that consumable items on hand agree with consumable inventory records maintained per 19 O.S. § 1502.
- Verify that machinery and equipment acquisitions, dispositions, and expenditures are in accordance with 19 O.S. § 333.
- 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.

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". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

February 3, 2015

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2015-1 – Inadequate Internal Controls and Noncompliance Over Fixed Assets**

**Condition:** The Oklahoma State Auditor and Inspector’s Office (OSAI) reviewed the fixed assets inventory and noted the following exceptions:

- Of the 148 items on the inventory list, 48 items did not have a County identification number.
- Of the 35 items requiring “Property of Lincoln County” identification, 9 were not marked with identification labels.
- A 2009 Motor Grader 6 670G, costing \$165,000, identification number D1-307.09, was on the inventory list, but was traded-in on November 20, 2012. There was not a Board of County Commissioners approved resolution for this item to be removed from the inventory listing in the Board of County Commissioners minutes.
- The following items could not be located:

Inventory Number	Description
D1-102.5	Stacking Chair
D1-110.2	Copier Table
D1-111.1	Desk Lamp
D1-111.2	Desk Lamp
D1-203.1	Monroe Addin 6120
D1-203.2	Monroe Addin 7100
D1-204.1	Industrial Air Circular
D1-209.1	Air Conditioner B2Q10F2A
D1-209.2	Air Conditioner B2Q10F2A
D1-213.1	Kyocera Copier 1510
D1-222.2	Canon Fax Machine
D1-223.1	Paper Shredder
D1-301.99	2005 County Owned Vehicle

**Cause of Condition:** Procedures have not been designed to implement internal controls over the safeguarding of fixed assets by placing inventory tags on all inventory items, marking inventory with “Property of Lincoln County” and maintaining an accurate inventory listing.

**Effect of Condition:** These conditions resulted in noncompliance with state statutes. Also, fixed assets are not adequately safeguarded when prescribed identification numbers and “Property of Lincoln County” labels are not affixed to County-owned equipment.

**Recommendation:** OSAI recommends that all fixed assets be marked with inventory tags, and “Property of Lincoln County” and an accurate inventory listing should be maintained.

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**Criteria:** Title 19 O.S. § 178.1 states in part, “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...annually thereafter, or oftener...”

Title 69 O.S. § 645 states in part, “The board of county commissioners shall cause each piece of county-owned, rented, or leased road machinery and equipment, and each automobile and truck, to be marked in accordance with the provisions of this section. County-owned automobiles, trucks, road machinery and equipment shall be conspicuously and legibly marked PROPERTY OF (name of county) COUNTY, on each side, in upper case letters, on a background of sharply contrasting color.”

**Finding 2015-2 –Inadequately Internal Controls and Noncompliance Over Consumable Inventories**

**Condition:** During our review of consumable inventory, OSAI noted the following:

<b>Consumable Item</b>	<b>Quantity Recorded</b>	<b>Quantity Verified</b>	<b>Variance</b>
Concrete Chunks	68 Tons	0 Tons	-68 Tons
12” Dimple Band Coupler w/Bolts	3 Each	4 Each	1 Each
12” End Section w/Straps	1 Each	0 Each	-1 Each
12” x 24’ 16 GA CSP R2E Pipe	-1 Each	0 Each	1 Each
12” x 26’ GA CSP R2E Pipe	-1 Each	0 Each	1 Each
12” x 35’ 16 GA R2E Pipe	1 Each	0 Each	-1 Each
15” Dimple Band Coupler w/Bolts	11 Each	1 Each	-10 Each
18” x 30’ 16 Gage Pipe	6 Each	3 Each	-3 Each
24” Dimple Band Coupler w/Bolts	4 Each	5 Each	1 Each
30” x 24’ 16 GA R2E Pipe	1 Each	0 Each	-1 Each
36” Dimple Band Coupler w/Bolts	-1 Each	0 Each	1 Each
48” x 32’ 16GA CSP Pipe	1 Each	0 Each	-1 Each
5/8” x 6” x 7’ Hard Thru Blades	64 Each	15 Each	-49 Each
60” 3 x 1 Dimple Band Coupler w/Bolts	1 Each	0 Each	-1 Each
60” x 35’ 16GA 3 x 1 CSP Pipe	1 Each	0 Each	-1 Each
72” x 40’ 16GA 3 x 1 CSP	-2 Each	0 Each	2 Each
Altex Crusher	423.30 Tons	0 Tons	-423.30 Tons
Asphalt – Type B	12.27 Tons	0 Tons	-12.27 Tons

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<b>Consumable Item</b>	<b>Quantity Recorded</b>	<b>Quantity Verified</b>	<b>Variance</b>
Asphalt Waste	111.23 Tons	0 Tons	-111.23 Tons
Asphalt Waste – Been	520.5 Tons	0 Tons	-520.5 Tons
CFI 84060	-2 Each	0 Each	2 Each
CFI 86969	3 Each	0 Each	-3 Each
Cleanup – Stewart Stone	300 Tons	0 Tons	-300 Tons
Crusher Run – Fittstown	412.41 Tons	0 Tons	-412.41 Tons
Crusher Run – Stewart	79.85 Tons	0 Tons	-79.85 Tons
Juno Crusher	-493.88 Tons	0 Tons	493.88 Tons
Road Rock	283.92 Tons	0 Tons	-283.92 Tons
Signs: Bridge Markers 6 x 18	14 Each	0 Each	-14 Each
Signs: Clearance 12 x 36	2 Each	0 Each	-2 Each
Signs: Decals Speed Limit 24 x 30	10 Each	11 Each	1 Each
Signs: Decals Weight Limit 24 x 30	10 Each	13 Each	3 Each
Signs: Oakdale Cemetery 18 x 24	2 Each	0 Each	-2 Each
Signs: Stop Decals 24 x 24	50 Each	14 Each	-36 Each
Signs: White Dove Cemetery	3 Each	0 Each	-3 Each
TBSC – Type E Rock	694.23 Tons	0 Tons	-694.23 Tons
Tire – 11R24.5 FS820 – Southern Tire	2 Each	0 Each	-2 Each
Tire 1400R24 Double Coin	2 Each	0 Each	-2 Each
Tire Bridgestone Drive 11R245M711	-7 Each	0 Each	7 Each
Tire Primex 17.5 R25/2	-2 Each	0 Each	2 Each
Tire – Akuret 14-00-24 Grader	4 Each	0 Each	-4 Each
12” x 10’ 16GA CSP R2E Pipe	1 Each	0 Each	-1 Each
12” x 16’ GA CSP R2E Pipe	1 Each	0 Each	-1 Each
12” x 20’ 16GA CSP R2E Pipe	3 Each	2 Each	-1 Each
15” x 14’ 16GA CSP R2E Pipe	1 Each	0 Each	-1 Each
15” x 28” 16GA CSP R2E Pipe	1 Each	0 Each	-1 Each
15” x 32’ 16GA CSP R2E Pipe	1 Each	0 Each	-1 Each
18” x 25’ 16GA CSP R2E Pipe	1 Each	0 Each	-1 Each
18” x 40’ 16 Gage CSP R2E Pipe	1 Each	0 Each	-1 Each
24” x 16’ 16GA CSP R2E	1 Each	0 Each	-1 Each
Asphalt & Concrete Chunks	488 Tons	0 Tons	-488 Tons
Screenings	252.54 Tons	0 Tons	-252.54 Tons



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**Cause of Condition:** The consumable inventory records are not being maintained, accurately updated and reconciled to physical counts.

**Effect of Condition:** These conditions resulted in noncompliance with state statutes. Also, failure to maintain accurate records of consumable inventory items and to perform a periodic physical inventory of consumable inventory items could result in inaccurate records, unauthorized use, or misappropriation of consumable inventory.

**Recommendation:** OSAI recommends management implement internal controls to ensure consumable items be adequately secured, periodically perform a review, and reconcile consumable inventory on hand to consumable records. Further, OSAI recommends management implement internal controls to ensure compliance with 19 O.S. § 1502 and 19 O.S. § 1504 (A).

**Criteria:** Title 19 O.S. § 1502 states in part:

1. The Board of County Commissioners or a designated employee shall:
  - a. Prescribes a uniform identification system for all supplies, material, and equipment of a county used in the construction and maintenance of roads and bridges.

Title 19 O.S. § 1504 (A) states, “A receiving officer shall receive all purchased, lease-purchased or rented items procured for the department and shall identify such items received in a manner prescribed by the county road and bridge inventory officer or board of county commissioners or designee. The receiving officer shall also maintain a record of all such items received, disbursed, stored and consumed by the department.”



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