



ADAIR COUNTY COMMISSIONER DISTRICT 2 TURNOVER

Statutory Report

January 14, 2025

Cindy Byrd, CPA
State Auditor & Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
ALAN STARR
ADAIR COUNTY COMMISSIONER
DISTRICT 2
JANUARY 14, 2025**

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OKLAHOMA
Office of the State Auditor & Inspector

Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov

April 4, 2025

BOARD OF COUNTY COMMISSIONERS
ADAIR COUNTY COURTHOUSE
STILWELL, OKLAHOMA 74960

Transmitted herewith is the Adair County Officer Turnover Statutory Report for January 14, 2025. 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 "Cindy Byrd". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



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Alan Starr
Adair County Commissioner, District 2
Adair County Courthouse
Stilwell, Oklahoma 74960

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for January 14, 2025:

- Verify that equipment items on hand agree with inventory records maintained per 19 O.S. § 178.1 and 19 O.S. § 178.2.
- 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.

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.

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

January 14, 2025

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2025-002 – Lack of Internal Controls and Noncompliance Over Fixed Assets and Consumable Inventories

Condition: During our review and test of fixed assets and consumable inventory items, the following weaknesses were noted:

- District 2 did not keep an accurate up to date inventory list for all fixed asset items.
- District 2 did not file an inventory list with the County Clerk’s office.
- The following twenty-six (26) fixed asset items were located but were not marked “Property of Adair County” nor listed on the County’s fixed asset inventory records:

ID Number	Make/Description	Serial/Vin	Cost
N/A	Storage Tank PO# B-1251	None	N/A
N/A	Chevrolet 3500 WT: Tag - CO27132	1GBJC34D86E243873	N/A
N/A	Volvo Diesel: Tag - CO27120	4V4MCAGG55N3922620	N/A
N/A	Volvo Steel Wheel Roller	VCEOD138TDS275544	N/A
N/A	Mack - D302-0233: Tag - ST12473	1M2AN07C1JM028126	N/A
N/A	Kubota Cab Tractor M6-111	KBUMHBPCPN1A12159	N/A
N/A	Ford F-Series: Tag - CO27135	IFDXF80CXVVA39593	N/A
N/A	CAT Skid Steer Angle Blade	A4216BA20009	N/A
N/A	150g. Ingersoll Rand Air Compressor	CBV487692	N/A
N/A	STIHL Chainsaw Rollomatic E5 MS-311	11409673408H	N/A
N/A	STIHL Chainsaw Rollomatic E5 MS-311	11409673408I	N/A
N/A	STIHL Chainsaw MS291	533158636	N/A
N/A	STIHL Polesaw HT-135	535724831	N/A
N/A	CAT Weiler Asphalt Machine	1W90P385CHB002436	N/A
N/A	Propane Tank	Leased: MFA	N/A
N/A	Propane Tank	Leased: MFA	N/A
N/A	Propane Tank	Leased: MFA	N/A
N/A	Salt Spreader	None	N/A
N/A	Grinder	SPR-H	N/A
N/A	Unleaded Gas Tank	None	N/A
N/A	Diesel Tank	None	N/A
N/A	Box Trailer	None	N/A
N/A	Water Tank	None	N/A

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ID Number	Make/Description	Serial/Vin	Cost
N/A	Water Tank	None	N/A
N/A	Trailer Tank Water 400 Gallon 2WH	2330-542-2039	N/A
N/A	Roller/Grader	None	N/A

* N/A – Not available.

Furthermore, upon inquiry, observation and test of consumable inventories, it was noted that the District does not maintain consumable inventory records. The following forty-one (41) consumable items should be maintained on the County’s consumable inventory records:

Item	Description	Unit	Quantity per OSAI
Steel Pipe	30 ft.	each	10
Steel Pipe	20 ft.	each	1
Steel Pipe	18 ft.	each	4
Steel Pipe	12 ft.	each	16
Concrete Pipe	15 ft., 14-inch	each	2
Concrete Pipe	5 ft., 14-inch	each	1
Tin Horn	30 ft.; 24-inch round	each	3
Tin Horn	20 ft.; 18-inch round	each	1
Tin Horn	6 ft.; 18-inch round	each	1
I-Beams	30 ft.	each	7
I-Beams	50 ft.	each	15
I-Beams	20 ft.	each	29
Tires	22.5 inch (Rear)	each	2
Tires	24.5 inch (Front Steer)	each	4
Tires	24.5 inch (Rear)	each	2
Tires	22.5 inch (Back Steer)	each	8
Tires	17.5 inch (Trailer)	each	4
Tires	85-R16	each	5
Tires	14-R24	each	3
Tires	14-17.5 (Backhoe)	each	2
Tires	24S 1.75-R17	each	3
Tires	19.5L-24	each	2
Tires	340-70/R28	each	1
Tires	21-16.5	each	2
Tires	16.9/14-30	each	1

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Item	Description	Unit	Quantity per OSAI
Crusher Run	1 1/2 inch	ton	14
Rip Wrap	Big Rock	ton	100
Cold Patch	N/A	ton	75
Filler Rock	3/4 inch	ton	75
Crusher Run	1 1/2 inch	ton	800
Hillside	Play gravel	ton	150
Gravel - Grey Rock	3/4 chip	ton	600
Gravel - Grey Rock	Chip and Seal 3/8 inch	ton	500
Hillside	Red clay mixture	ton	400
Sand	N/A	ton	25
Signs (all signs)	Address, construction site, etc.	each	410
Batteries	Commercial	each	5
Batteries	Truck - 438	each	2
Batteries	John Deere	each	2
Batteries	110 AH - John Deere	each	1
Fence	Chain-link	feet	150

* N/A – Not available.

Cause of Condition: Policies and procedures have not been adequately designed and implemented by management to ensure compliance with state statutes for the accurate report and safeguarding of fixed assets and consumable inventory.

Effect of Condition: These conditions resulted in noncompliance with state statutes, opportunities for loss and misappropriation of county assets to ensure the accurate reporting of fixed assets, and consumable inventory, as well as adequate procedures to ensure equipment is properly identified in accordance with state statutes.

Recommendation: The Oklahoma State Auditor & Inspector's Office recommends that management design and implement internal controls to ensure compliance with state statutes and that fixed assets and consumable inventories are safeguarded against misuse and loss. An annual inventory verification should include the following:

- Be performed annually by two individuals.
- Physically verify items on-site by serial or asset tag.
- Inventory records should be properly maintained to reflect assets disposed and/or acquired.

Consumable inventory records should include the following:

- Consumable inventory records should be created and maintained for all consumable items.
- Reconciliation of consumable inventory should be performed weekly.

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Management Response:

Current District 2 Commissioner: We acknowledge that these deficiencies were the result of actions under the previous Commissioner's administration. Unfortunately, there was a lapse in properly maintaining and updating the inventory records, which led to the noted discrepancies. Moving forward, we are committed to correcting these errors and ensuring full compliance with state regulations. In response to the audit findings, we have taken the following corrective measures:

1. **Updating and Maintaining Inventory Records:** A comprehensive review of all current fixed assets and consumable inventories is underway. An updated and accurate inventory list will be compiled and kept up to date going forward.
2. **Filing Inventory with the County Clerk's Office:** We will ensure that an updated inventory list is filed with the County Clerk's office in accordance with state requirements.
3. **Internal Controls:** We are implementing stricter internal controls to ensure that future inventory records are accurately maintained, tracked, and updated regularly. This includes assigning specific responsibility to personnel for managing and reviewing inventory records.
4. **Ongoing Monitoring and Compliance:** We will implement quarterly internal audits to review inventory records and ensure compliance with both state and county regulations. These audits will be documented and available for review. We sincerely apologize for the oversight that occurred during the previous administration, and we assure you that steps are being taken to prevent any future occurrences. The current leadership in District #2 is committed to maintaining transparency, accountability, and compliance with all applicable laws and regulations.

Criteria: The United States Government Accountability Office's *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasigovernmental entities.

The GAO Standards – Section 2 – Objectives of an Entity – OV2.23 states in part:

Compliance Objectives

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

Additionally, GAO Standards – Section 2 – Objectives of an Entity – OV2.24 states in part:

Safeguarding of Assets

Management designs an internal control system to provide reasonable assurance regarding prevention or prompt detection and correction of unauthorized acquisition, use, or disposition of an entity's assets.

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Furthermore, GAO Standards – Principle 10 – Design Control Activities – 10.03 states in part:

Physical control over vulnerable assets

Management establishes physical control to secure and safeguard vulnerable assets. Examples include security for and limited access to assets such as cash, securities, inventories, and equipment that might be vulnerable to risk of loss or unauthorized use. Management periodically counts and compares such assets to control records.”

Title 19 O.S. § 178.2 requires each elected county official to create and maintain inventory records of said office. Such inventory shall be filed with the county clerk.

Title 19 O.S. § 1502(A)(1) which requires a prescribed uniform identification system for all supplies, materials, and equipment of a county used for maintenance for roads and bridges:

Title 19 O.S. § 1502(B)(1) which requires a prescribed uniform identification system for all supplies, materials, and equipment of a county not used in the construction and maintenance for roads and bridges.

Title 19 O.S. § 1504(A) requires the receiving officer to maintain a record of all items received, disbursed, stored, and consumed by the department.

Title 69 O.S. § 645 which requires 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.



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