

STATUTORY REPORT

ALFALFA COUNTY COMMISSIONER DISTRICT 3 TURNOVER

December 15, 2010



*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
JAMES SIMPSON
ALFALFA COUNTY COMMISSIONER
DISTRICT 3
DECEMBER 15, 2010**

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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 4, 2011

BOARD OF COUNTY COMMISSIONERS
ALFALFA COUNTY COURTHOUSE
CHEROKEE, OKLAHOMA 73728

Transmitted herewith is the Alfalfa County Commissioner, District 3, Officer Turnover Statutory Report for December 15, 2010. The engagement was conducted in accordance with 19 O.S. § 171.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of our engagement.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the State to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones". The signature is fluid and cursive.

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



Oklahoma State Auditor & Inspector

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James Simpson, Alfalfa County Commissioner
District 3
Alfalfa County Courthouse
Cherokee, Oklahoma 73728

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for December 15, 2010:

- Verify that equipment items on hand agree with inventory records as 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.

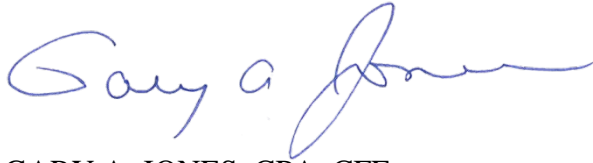
Information addressed in this report is the representation of the respective county officers.

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, consumable items on hand agreed with consumable inventory records; machinery and equipment acquisitions and expenditures were in accordance with statutory requirements; and the amount of total claims approved for the operation of said Office was not in excess of limitations. With respect to dispositions of equipment and equipment items on hand agreeing with inventory records, our findings are presented in the accompanying schedule of findings and responses.

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.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gary A. Jones". The signature is fluid and cursive, with the first name "Gary" being the most prominent.

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

December 15, 2010

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 JAMES SIMPSON
 ALFALFA COUNTY COMMISSIONER
 DISTRICT 3
 DECEMBER 15, 2010**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2011-1 – Fixed Assets Inventory

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...biennially thereafter, or oftener...

Condition: While performing inventory at the District 3 barn, the following discrepancies were noted. Eight items were not marked with the County ID number.

County ID Number	Equipment	Serial Number	Cost	Date Acquired	Comment
406-305	Air Compressor	PUK5508G	\$749.00	3/30/07	Not marked with county ID number
413-309	Fuel Tank 1060 gals		\$1,753.15	2/22/94	Not marked with county ID number
413-312	Fuel Tank w/Diesel Pump		\$569.95	5/21/97	Not marked with county ID number
323-303	Bulldozer	T0750JX182393	\$180,250.00	5/17/10	Not marked with county ID number
602-332	Johnson Radio	15515	\$540.00	4/12/94	Not marked with county ID number
602-326	Johnson Radio	21662	\$540.00	8/21/96	Not marked with county ID number
499-300	Fire Truck / Jet	CE531P121634	\$3,675.00	5/3/71	Not marked with county ID number
341-300	Posthole Digger	208433	\$595.00	1/6/75	Not marked with county ID number

Three items were not on the County Clerk's inventory list, but were visually verified.

Equipment	Serial Number
JD Grader 670D	DW670DX618761
JD Grader 670D	DW670DX624020
JD Rotary Mower CX15	W0CX15F007545

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The identification number on the following items did not match the inventory cards and/or the computerized inventory sheet.

Number on Inventory Card	2 nd Number on Inventory Card	Number on Inventory Sheet	Serial Number	Description	Number on Equipment
348-303		348-302	1C9554023T1424423	Trail Blazer Trailer	348-302
348-303		348-303	16JF0202911035600	Belshe Equip Trailer	348-306
348-305	348-306	348-306	1A9L639234A245316	Atoka Lowboy Trailer	348-305
434-302	439-302	439-302	H080476689	Hotsy Pressure Washer	434-302

Effect: Inventory items were not accurately accounted for and the County's assets may not be safeguarded.

Recommendation: OSAI recommends the County mark all equipment with the County ID number.

Views of responsible officials and planned corrective actions: Marking and numbering problems have been corrected.

Finding 2011-2 – Fixed Assets Finding

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...biennially thereafter, or oftener...

Condition: We were unable to visually verify the following items on the County Clerk's inventory for the District 3 County Commissioner:

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County ID	Item	Serial Number	Cost	Date Acquired	Description
444-300	Red Dot Air Conditioner	AA0226	\$2,222.00	07/21/1999	
444-301	Air Conditioner	R9720324P	\$506.33	03/20/2000	
602-334	Johnson Radio	14809	\$521.50	12/13/2000	
602-325	Johnson Radio	21473	\$540.00	07/02/1996	
602-320	Johnson Radio	11682	\$540.00	09/16/1991	
399-301	JD Excavator	4316	\$26,000.00	09/22/1997	The excavator was used as a trade-in for the purchase of a new excavator. The resolution to dispose of the excavator could not be located.
301-303	Ford Pickup	F15EKJA2132	\$6,750.00	12/15/1980	The pickup was sold at District 1 Auction on July 25, 2008. The resolution to dispose of the pickup could not be located.

Effect: Inventory items were not accurately accounted for and the County's assets may not be safeguarded.

Recommendation: OSAI recommends equipment inventory information be periodically reviewed, reconciled, and updated to detect errors and to maintain an accurate inventory record.

Views of responsible officials and planned corrective actions: We plan to coordinate with the County Clerk's office and see that the computerized inventory sheet is updated and all inventory numbers match. In the future, I will by resolution correctly dispose of equipment and inventory and keep copies of those resolutions on file at District 3 barn and in the County Commissioner's Office at the Alfalfa County Courthouse. I plan to periodically review, reconcile, and maintain an accurate inventory record.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

2300 N. LINCOLN BOULEVARD, ROOM 100

OKLAHOMA CITY, OK 73105-4896

WWW.SAI.OK.GOV