

**CADDO COUNTY  
COMMISSIONER  
DISTRICT 2  
TURNOVER**

**MARCH 30, 2010**

**STATUTORY  
REPORT**



Oklahoma State Auditor  
& Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT  
CRAIG GIBSON  
CADDO COUNTY COMMISSIONER  
DISTRICT 2  
MARCH 30, 2010**

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# STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA  
State Auditor

MICHELLE R. DAY, ESQ.  
Chief Deputy



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July 6, 2010

BOARD OF COUNTY COMMISSIONERS  
CADDO COUNTY COURTHOUSE  
ANADARKO, OKLAHOMA 73005

Transmitted herewith is the Caddo County Commissioner, District 2, Officer Turnover Statutory Report for March 30, 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 "Steve Burrage".

STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

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Craig Gibson, Caddo County Commissioner  
District 2  
Caddo County Courthouse  
Anadarko, Oklahoma 73005

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for March 30, 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 and machinery and equipment acquisitions, dispositions and expenditures are in accordance with statutes. However, two equipment items on the County Clerk's inventory list could not be located, and appropriations for maintenance and operations of District 2 County Commissioner were not sufficient to cover encumbered purchases. These findings are presented in the 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,



STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

April 5, 2010

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**CADDO COUNTY COMMISSIONER**  
**DISTRICT 2**  
**MARCH 30, 2010**

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2010-1 – Equipment Inventory**

Criteria: 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...biennially thereafter, or oftener...

Condition: Two items were listed on the inventory records that could not be located.

<b>County ID Number</b>	<b>Item</b>	<b>Make</b>	<b>Serial Number</b>	<b>Cost</b>
298-018	Computer	Stor	AA-3210	\$798.00
330-0033	Pole Saw	Stihl HT-75	243572492	\$539.95

Effect: Inventory items were not accurately accounted for and the County's inventory 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: A police report was filed with the Anadarko Police Department on the two inventory items in question, a computer and pole saw. District 2 has implemented periodic reviews of their inventory for better tracking.

**Finding 2010-2 – Encumbrances in Excess of Appropriations**

Criteria: Title 62 O.S. § 310.2 states in part:

No purchase order shall be paid until approved by the officer, board of commission having charge of the office or department for which the appropriation is available and from which such payment is proposed to be made, provided that no indebtedness for any purpose shall be incurred in excess of the appropriation for that purpose and provided that the county and municipal officers referred to herein are made responsible on their official bond for any and all indebtedness incurred by them.

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Title 62 § 310.3 states:

Any county or municipal officer who in his capacity as an officer or as or through a purchasing officer shall incur or cause to be incurred any indebtedness, purchase order or obligation for any purpose or for any account in excess of the appropriation available therefore shall forfeit and be removed from office in the manner provided by law for willful maladministration.

Condition: Based on inquiries with the current County Commissioner for District 2 and observation of the County Clerk's Appropriation Ledger, we obtained documentation reflecting the following for the T-Highway District 2 Maintenance and Operation Account:

- On September 14, 2009, the balance was a negative unencumbered balance of \$1,457.91.
- On September 28, 2009, the negative unencumbered balance reached a total of \$125,665.08.
- On October 7, 2009, the appropriation ledger balance regained a positive balance of \$25,698.05 after the monthly cash appropriation was added.
- However, on October 13, 2009, the appropriation unencumbered balance again became negative in the amount of \$1,082.68.
- On December 29, 2009, the last date recorded prior to Craig Gibson's retirement on December 31, 2009, the negative unencumbered balance reached a total of \$215,046.39.
- The period after the retirement of Craig Gibson, but prior to the election of the successor county commissioner, revealed that the negative unencumbered balance reached a total of \$246,901.08 on January 5, 2010.
- However, on January 8, 2010, a positive balance of \$69,965.43 resulted on the appropriation ledger after the monthly cash appropriation was made.
- On February 2, 2010, the negative unencumbered balance reached a total of \$47,005.32, but after the cash appropriation was made on February 3, 2010, a positive balance of \$24,456.71 resulted.
- On March 1, 2010, the balance again was negative in the amount of \$1,684.98 and did not recover until March 4, 2010, in the amount of \$110.55. This was the balance on March 8, 2010, the day the current commissioner was sworn into office.

Effect: These conditions resulted in expenditures in excess of appropriations, and could result in misstated financial reports, undetected errors, or misappropriation of funds.

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Recommendation: OSAI recommends management be aware of these conditions and determine that appropriations exist sufficient to cover expenditures prior to encumbering purchase orders.

Views of responsible officials and planned corrective actions: Regarding District 2's M&O Fund balance, these are the findings. In the fall of 2009, Commissioner Gibson reported verbally to Commissioner Squires and Commissioner Bowling that his M&O funds would be used extensively to finish several large FEMA projects. He stated that he would be receiving approximately \$1,000,000 in reimbursement from FEMA but since these were large projects he had to finish them before FEMA would send the reimbursement. In March 2010 funds in excess of \$800,000 were received from FEMA.





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