



CLEVELAND COUNTY
COMMISSIONER DISTRICT 2
TURNOVER

Statutory Report

September 20, 2023

Cindy Byrd, CPA
State Auditor & Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
DARRY STACY
CLEVELAND COUNTY COMMISSIONER
DISTRICT 2
SEPTEMBER 20, 2023**

This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 19 O.S. § 171, has not been printed, but is available on the agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



March 11, 2024

BOARD OF COUNTY COMMISSIONERS
CLEVELAND COUNTY COURTHOUSE
NORMAN, OKLAHOMA 73069

Transmitted herewith is the Cleveland County Officer Turnover Statutory Report for September 20, 2023. 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".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



Darry Stacy
Cleveland County Commissioner, District 2
Cleveland County Courthouse
Norman, Oklahoma 73069

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for September 20, 2023:

- 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

December 13, 2023

**COUNTY OFFICER TURNOVER STATUTORY REPORT
DARRY STACY
CLEVELAND COUNTY COMMISSIONER
SEPTEMBER 20, 2023**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2024-001 – Lack of Internal Controls and Noncompliance Over Fixed Assets Inventory

Condition: During our review and test of two hundred seventy-four (274) fixed assets, the following weakness was noted:

- Three (3) fixed assets could not be located *at the time of our turnover audit* and a resolution for surplus and disposal could not be found.

ID Number	Year	Make/Description	Model	Serial	Cost
D602-167	2012	Motorola Radius CM200 2 Way Radio	CM200	922TMW0522	\$388
D611-58	2007	Hewlett Packard Laptop	NC6400	-	\$1,479.90
D611-123	2018	Apple MBP 13.3SG 2.3GHS, 8GB 256GB	-	FVFWM786NV29	\$1,473.72

Cause of Condition: Policies and procedures have not been adequately designed and implemented by management to ensure compliance with state statutes over fixed assets.

Effect of Condition: These conditions resulted in noncompliance with state statutes and inaccurate fixed asset records. When fixed assets are not adequately safeguarded and accounted for, there is an opportunity for misappropriation and undetected errors.

Recommendation: The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends management implement internal control to ensure compliance with state statutes. These internal controls would include maintaining an accurate inventory report. Further, OSAI recommends designing and implementing procedures to ensure that all equipment received, disbursed, and stored by their department comply with state statutes.

Management Response:

Outgoing District 2 Commissioner: As of April 14, 2023, I vacated the office of Commissioner for District 2 of Cleveland County. Consequently, I assert that for the past approximately six months, I have neither possessed nor exercised any control or access to the fixed assets specified in your report. Please note the Executive Proclamation from Governor Stitt declaring vacancy of this office effective April 14, 2023. This proclamation serves as documentation supporting the timeframe during which I have had no authority over the assets in question. The audit finding is listed as an FY24 review. Three (3) fixed assets were not located during the review. However, it is my understanding that upon further review, the Apple MacBook (ID Number D611-123) was located and is currently being used by the District 2 office. I would like to confirm that I have no access or control to track the status of the other items mentioned in the audit report. It is important to emphasize that I fully support the mission of the Oklahoma State Auditor and

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SEPTEMBER 20, 2023

Inspector (OSAI) and concur with the necessity of maintaining an accurate inventory of assets. I am committed to ensuring transparency and cooperation in resolving any outstanding matters related to the fixed assets in question. If you require any additional information or clarification, please do not hesitate to contact me.

Incoming District 2 Commissioner: As a Commissioner, I prioritize responsible asset management. Soon after taking office, I initiated a turnover audit, which revealed that three fixed assets were missing: two laptops and one radio. We managed to recover one laptop and determined that the radio had been stolen in a car theft. Maintaining an accurate inventory report is a vital aspect of my role, and I'm dedicated to ongoing process of improvement.

Auditor Response: State statute requires counties to perform a biennial audit of fixed assets in order to track and maintain all items assigned to the District and to facilitate an accurate inventory listing. The District failed to follow the statute and this resulted in an inaccurate inventory listing.

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 quasi-governmental entities.

The 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.

The 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.

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.

O·K·L·A·H·O·M·A
S·A·I
STATE AUDITOR & INSPECTOR



Cindy Byrd, CPA | State Auditor & Inspector

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