



COAL COUNTY COMMISSIONER DISTRICT 1 TURNOVER

Statutory Report

December 29, 2022

Cindy Byrd, CPA
State Auditor & Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
BROCK JONES
COAL COUNTY COMMISSIONER
DISTRICT 1
DECEMBER 29, 2022**

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March 15, 2023

BOARD OF COUNTY COMMISSIONERS
COAL COUNTY COURTHOUSE
COALGATE, OKLAHOMA 74538

Transmitted herewith is the Coal County Officer Turnover Statutory Report for December 29, 2022. 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,

LISA HODGES, CFE, CGFM
DEPUTY STATE AUDITOR & INSPECTOR



OKLAHOMA
Office of the State Auditor & Inspector

Cindy Byrd, CPA | State Auditor & Inspector

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Brock Jones
Coal County Commissioner, District 1
Coal County Courthouse
Coalgate, Oklahoma 74538

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for December 29, 2022:

- 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.

A handwritten signature in blue ink that reads "Lisa Hodges".

LISA HODGES, CFE, CGFM
DEPUTY STATE AUDITOR & INSPECTOR

February 6, 2023

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2023-001 – Lack of Internal Controls and Noncompliance Over Fixed Assets and Consumable Inventories

Condition: During the review of fixed assets and consumable inventories, the following items were noted:

- The following two (2) items could not be located:

<u>Inventory Number</u>	<u>Description of Item</u>
420	2008 Submersible Water Pump
410	Blu Point Air Jack
- County Commissioner District 1 does not maintain consumable inventories.

Cause of Condition: Policies and procedures have not been designed and implemented in regard to fixed assets inventory and consumable inventories.

Effect of Condition: These conditions resulted in noncompliance with state statutes and could result in misuse or loss of county property.

Recommendation: The Oklahoma State Auditor and Inspector recommends that all equipment with a value of \$500 or more (or \$2,500 or more if acquired November 1, 2022, or after) be included on the fixed assets inventory records. These records should be maintained in the County Clerk’s office and updated as equipment is acquired and disposed of. Further, management should create and administer an inventory system for consumable inventories in accordance with 19 O.S. § 1502.

Management Response:

Outgoing District 1 County Commissioner: District 1 employees have been trained and are now keeping a consumable inventory. Better efforts will be made to check the inventory list annually.

Criteria: 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.

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Additionally, The GAO Standards – Section 2 – Establishing an Effective Internal Control System – Objectives of an Entity - OV2.24 states in part:

Compliance Objectives

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 states in part, “A. 1. The board of county commissioners or a designated employee shall:

- a. prescribe a uniform identification system for all supplies, materials and equipment of a county used in the construction and maintenance of roads and bridges, and
- b. create and administer an inventory system for all:
 - (1) equipment of a county having an original cost of Two Thousand Five Hundred Dollars (\$2,500.00) or more for use in the construction and maintenance of roads and bridges, and
 - (2) supplies and materials of a county purchased in lots of Two Thousand Five Hundred Dollars (\$2,500.00) or more for use in the construction and maintenance of roads and bridges.”

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 therefore maintain or cause to be maintained a continuous inventory record thereof and of like tools, apparatus, machinery and equipment purchased, leased, or otherwise coming into custody of the county or of any office, board, department, commission or any either thereof, and the disposition thereof whether sold, exchanged, leased, or let where authorized by statute, junked, strayed or stolen, and annually thereafter...”

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