



DEWEY COUNTY
DISTRICT 3 TURNOVER

Statutory Report

February 1, 2023

Cindy Byrd, CPA
State Auditor & Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
MELVIN SALISBURY, JR.
DEWEY COUNTY COMMISSIONER
DISTRICT 3
FEBRUARY 1, 2023**

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May 1, 2023

BOARD OF COUNTY COMMISSIONERS
DEWEY COUNTY COURTHOUSE
TALOGA, OKLAHOMA 73667

Transmitted herewith is the Dewey County Officer Turnover Statutory Report for February 1, 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



Melvin Salisbury, Jr.
Dewey County Commissioner, District 3
Dewey County Courthouse
Taloga, Oklahoma 73667

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for February 1, 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

February 23, 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 our review and test of one hundred seventeen (117) fixed assets and fifteen (15) consumable inventory items including fuel, the following weaknesses were noted:

- Seven (7) fixed assets on hand did not agree with the inventory list.

ID #	Make/Description	Model	Serial	Cost
602-124	RADIO	PM400	019TQS1373	567.00
602-16	RADIO	-	43006726	750.00
602-17	RADIO	-	43006752	750.00
602-19	RADIO MIDLAND	-	263380	746.50
602-32	RADIO MIDLAND	70-1395B	034443	956.00
204-07	PORT-A-COL	-	288742-12	-
-	MILLERMATIC 252 WELDER	-	-	-

- Nine (9) fixed assets had serial numbers that did not match the inventory list.

ID #	Make/Description	Model	Serial	Cost
321-14	SNOWPLOW BALDERSON BVS	-	111707	7,645.00
324-05	AIR COMPRESSOR SPEEDAIRE	5F564A	L1/24/2001-00034	1,729.00
348-44	LOWBOY TRAILER	-	-	9,999.00
430-01	RIDING LAWN MOWER REGENT	15G38	169391102171	1,656.48
602-124	RADIO	PM400	019TQS1373	567.00
602-16	RADIO	-	43006726	750.00
602-17	RADIO	-	43006752	750.00
602-19	RADIO MIDLAND	-	263380	746.50
602-32	RADIO MIDLAND	70-1395B	034443	956.00

- Thirty-nine (39) fixed assets were not properly marked "Property of Dewey County" on both sides. *(See Appendix 1)*
- Twenty-three (23) fixed assets were not marked with the inventory number on the inventory list.

ID #	Make/Description	Model	Serial	Cost
301-53A	FUEL TANK	-	-	547.00
302-67A	ENGINE	-	-	5,000.00

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ID #	Make/Description	Model	Serial	Cost
321-03	SNOWPLOW BURCH	FR-10	1573176 173194	1,800.00
321-04	SNOWPLOW NEW BURCH	FR-10	1573175 173192	1,950.00
321-14	SNOWPLOW BALDERSON BVS	-	111707	7,645.00
321-15	SNOWPLOW BALDERSON	-	-	5,049.00
323-06B	TILT ARM FOR DOZER	-	-	744.00
333-01	CATTLE GUARD	-	-	575.00
348-02	TANK TRAILER CORBETT	-	57091F	2,800.00
406-07	AIR COMPRESSOR	-	-	-
412-29	TRANSFER PUMP	-	-	2,977.25
413-26	GAS TANK	-	-	339.00
413-39	FUEL TANK	-	-	565.00
435-01	TANK	-	-	669.00
441-57	BRUSH BEATER	-	1POCX15FCHT046589	17,942.54
441-58	BRUSH BEATER	-	1POCX15FVHT046593	17,942.54
449-03	IMPACT WRENCH	-	-	549.00
449-12	IMPACT WRENCH	-	-	621.22
602-124	RADIO	PM400	019TQS1373	567.00
602-16	RADIO	-	43006726	750.00
602-17	RADIO	-	43006752	750.00
602-19	RADIO MIDLAND	-	263380	746.50
602-32	RADIO MIDLAND	70-1395B	034443	956.00

- Nine (9) fixed assets could not be located and/or a resolution for surplus and disposal for items that need to be removed from the county inventory list could not be found.

ID #	Make/Description	Model	Serial	Cost
315-06	CRANE BANTAM	T-350	-	2,750.00
315-07	CRANE SCHIELD-BAMTOM	T350	12804	3,750.00
315-09	CRANE	-	-	8,566.29
330-28	CONCRETE SAW CUTQUICK	T5400	164887275	893.99
602-124	RADIO	PM400	019TQS1373	567.00
602-16	RADIO	-	43006726	750.00
602-17	RADIO	-	43006752	750.00
602-19	RADIO MIDLAND	-	263380	746.50
602-32	RADIO MIDLAND	70-1395B	034443	956.00

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- Two (2) fixed assets were on hand, but not on the inventory list.

ID #	Make/Description	Model	Serial	Cost
204-07	PORT-A-COL	-	288742-12	-
-	MILLERMATIC 252 WELDER	-	-	-

Further, upon inquiry, observation, and a test of consumable inventories for District 3, the following weaknesses were noted:

- A consumable inventory list is being maintained; however, a physical count and reconciliation of consumable inventory is not performed annually. Variances could not be determined due to inaccurate coding of consumable inventories purchased since change in district personnel.
- The gas fuel log is being maintained; however, the following variances were noted:

Consumable Item	Consumable Quantity On Record	Consumable Quantity Measured and Verified by Auditor	Total Variance	Percent Variance
Gas	1,933 Gallons	1,826 Gallons	107	5.42%

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

Effect of Condition: These conditions resulted in noncompliance with state statutes. Opportunities for loss and misappropriation of county assets may be more likely to occur when the County does not have procedures to ensure compliance with state statutes. Procedures include 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 (OSAI) recommends management implement internal controls to ensure compliance with state statutes. These internal controls would include maintaining an accurate inventory report and properly marking equipment with a County identification number and Property of Dewey County. Further, OSAI recommends designing and implementing procedures to ensure that all supplies, materials, and equipment received, disbursed, stored, and consumed by their department comply with state statutes.

Management Response:

Outgoing County Commissioner: The radios that were notated in the first, second, fourth, and fifth bullet points were not maintained correctly and were likely disposed of and not documented correctly. The serial numbers will be corrected. The riding lawnmower was disposed on August 22, 2022, but was not updated in the County Clerk’s office. I will inform the new Commissioner to add “Property of Dewey County” on all required equipment and to mark all equipment with the correct inventory numbers. Crane (315-06) was disposed of but was not correctly documented and not taken off inventory. The other two cranes (315-07 and 315-09) were not operational but not disposed of. The concrete saw was discovered to be stolen years

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ago was not disposed of and taken off inventory. The items in the sixth bullet point were found to have been purchased in previous years and were simply missed and I will inform the new Commissioner to add them to the inventory list. For the seventh bullet point regarding consumable inventory, the error was found in the coding and has been corrected. I will also inform the new Commissioner to conduct a physical count and reconciliation annually. The eighth bullet point regarding gas fuel log is believed to be a discrepancy due to employees forgetting to write down fuel pumped. I will inform the new Commissioner to have the District 3 employees to document all fuel pumped.

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 – 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.

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.

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Appendix 1

Items Not Properly Marked with "Property of Dewey County" on Both Sides.

ID #	Year	Make/Description	Model	Serial	Cost
301-34	1998	PICKUP CHEVROLET	-	1GCGK29R9WE223588	\$22,159.98
301-41	-	PICKUP CHEVROLET	-	1GCEC14ZXRZ276089	\$11,085.00
301-44	-	PICKUP GMC	SIERRA	1GTHK24U55E285133	\$20,381.28
301-53	-	PICKUP	TK20743	16T4KZBG6AF152261	\$26,050.00
301-65	2012	PICKUP	SILVERADO 2500	1GC2KXCG7CZ222443	\$6,000.00
301-66	2012	PICKUP	-	1GC2KXCG4CZ221587	\$6,900.00
301-67	2011	PICKUP	SILVERADO 2500 HD 4X4 EXT	1GC2KXCG3BZ441558	\$3,384.00
301-68	2010	PICKUP	SILVERADO 2500 HD 4X4 EXT	1GC5KXBG8AZ246391	\$3,492.00
301-69	2019	PICKUP	2500 SILVERADO	1GC1KREGOKF191301	\$32,638.00
302-89	2015	TRUCK TRACTOR	CHU613	1M2AN09C6FM018633	\$114,936.00
302-96	-	DUMP TRUCK	4300	1HTMMMMMXHH679656	\$87,298.00
304-32	2012	TRACTOR	6130D	1P06130DPE0060162	\$63,492.59
304-33	2013	TRACTOR	6130D	1P06130DKE0060163	\$63,492.59
304-35	1999	TRACTOR W/ MOWER	-	24806	\$26,000.00
307-64	-	MOTORGRADER	140M	B9M00167	\$198,943.00
307-68	-	MOTORGRADER	140H	CCA02020	\$151,750.00
307-69	-	MOTORGRADER	-	M9D00838	\$230,887.00
307-70	-	MOTORGRADER	140H	CCA00745	\$151,750.00
307-73	-	MOTORGRADER	140M2	M9DO1352	\$230,887.00
307-77	-	MOTORGRADER	12M3	0N9B00109	\$195,000.00
315-07	-	CRANE SCHIELD- BAMTOM	T350	12804	\$3,750.00
315-09	-	CRANE	-	-	\$8,566.29
320-11	1997	PNEUMATIC ROLLER FERGUSON	SP-912	1456	\$38,974.00
320-16	-	VIBRATORY ROLLER	CS568	S5600773	\$160,480.00
323-12	2009	CATERPILLAR DOZER	D6TXL	LAY01169	\$164,700.00
332-12	2006	BACKHOE JOHN DEERE	310SG	T0310SG955401	\$75,339.00
332-16	-	HYDRAULIC EXCAVATOR	324 EL	PNW00901	\$223,632.00
337-13	-	BROOM	DT80J	814919	\$44,211.00
340-05	-	DURA PATCHER	125-DJT	21308	\$65,500.00

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ID #	Year	Make/Description	Model	Serial	Cost
340-06	-	DURAPATCHER	-	20101	\$42,500.00
345-13	-	FRONT END LOADER	644J	DW644JX608483	\$162,199.00
348-02	-	TANK TRAILER CORBETT	-	57091F	\$2,800.00
348-29	2006	TRAILER CTS	2006	1C93432266S770454	\$29,250.00
348-37	-	BELLY DUMP TRAILER	-	56EA53K20EA000083	\$32,995.00
348-38	-	BELLY DUMP TRAILER	-	56EA53K22EA000084	\$32,995.00
348-44	-	LOWBOY TRAILER	-	-	\$9,999.00
348-48	-	TRAILER	-	4R7BV22XCT150698	\$3,850.00
348-50	2018	BOTTOM DUMP TRAILER	4C240A000	5MC424011J3176034	\$32,796.00
348-54	2000	GOOSENECK TRAILER	40'	1H90F3423YE292275	\$4,750.00

O·K·L·A·H·O·M·A
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Cindy Byrd, CPA | State Auditor & Inspector

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