



DEWEY COUNTY COMMISSIONER DISTRICT 2 TURNOVER

Statutory Report

May 11, 2020

Cindy Byrd, CPA
State Auditor & Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
RUPERT IRVING
DEWEY COUNTY COMMISSIONER
DISTRICT 2
MAY 11, 2020**

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Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov

June 23, 2020

BOARD OF COUNTY COMMISSIONERS
DEWEY COUNTY COURTHOUSE
TALOGA, OKLAHOMA 73667

Transmitted herewith is the Dewey County District 2 Commissioner Turnover Statutory Report for May 11, 2020. 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



Rupert Irving
Dewey County Commissioner, District 2
Dewey County Courthouse
Taloga, Oklahoma 73667

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for May 11, 2020:

- Verify that equipment items on hand agree with inventory records maintained per 19 O.S. § 178.1.
- Verify that consumable items on hand agree with consumable inventory records maintained per 19 O.S. § 1502.

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

May 12, 2020



SCHEDULE OF FINDINGS AND RESPONSES

Finding 2020-001 – Lack of Internal Controls and Noncompliance Over Fixed Assets and Consumable Inventories

Condition: During our review of the District 2 County Commissioner’s fixed assets, the following weaknesses were noted:

- A current fixed asset inventory list was not on file with the County Clerk.
- Fourteen (14) items could not be visually verified.
 - According to the newly appointed Commissioner, some of these items were believed to be sold and disposed of and not properly documented.
- Sixteen (16) items were not properly marked with a county identification number.
- Eight (8) items were not properly marked with “Property of Dewey County.”
- Three (3) items were not on the District 2 inventory list.
- One (1) item did not have the correct inventory number.

During our review of the District 2 County Commissioner’s consumable inventory, the following weaknesses were noted:

- An accurate consumable inventories list had not been prepared or maintained by the County Commissioner.

Cause of Condition: Policies and procedures have not been adequately designed and implemented by county offices/departments to ensure the accurate reporting of fixed assets and consumable inventory items, as well as adequate procedures to ensure equipment is properly identified in accordance with state statutes.

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 in place to account for fixed assets. Additionally, when consumable inventory items are not adequately documented and inadequate segregation of duties exist, the opportunity for the misappropriation of assets and undetected errors could occur.

Recommendation: OSAI recommends the County comply with 19 O.S. § 178.1 by maintaining inventory records and performing and documenting a periodic inventory of fixed assets. The verification should be performed by an individual independent of the fixed assets recordkeeping process. Further, yearly counts of fixed asset items should be filed with the County Clerk.

OSAI also recommends management implement policies and procedures to ensure compliance with state statutes regarding the disposition of County property with an original cost exceeding \$500 and to ensure all fixed assets are properly marked with county identification numbers in accordance with 19 O.S. § 1502(A)

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(1), 19 O.S. § 1502(B) (1), and further, any fixed assets required, are properly identify with “Property of ...,” in accordance with 69 O.S. § 645.

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 19 O.S. § 1504A.

Management Response:

Current District 2 Commissioner: At this time, we are working on an updated fixed asset list for the County Clerk. As for the fourteen items that could not be visually verified, we have found six which are the computers. We have labeled each computer and monitor and edited them on our fixed assets. For the rest we believe they have been sold, and not documented correctly from the previous Commissioner and Secretary. As for the eight items not properly marked, we have since updated and marked correctly. As for the three not on the inventory list, we have added these to the inventory list. As for the one with incorrect number, we have made that correction.

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. § 178.1 requires the board of county commissioners in each county of this state to take or cause to be taken, an inventory of all working tools, apparatus, machinery and equipment.

Title 19 O.S. § 1502(A) (1) requires a prescribed uniform identification system for all supplies, materials, and equipment of a county used for maintenance for roads and bridges.

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Title 19 O.S. § 1502(B) (1) 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 requires the receiving officer to maintain a record of all items received, disbursed, stored and consumed by the department.

Title 69 O.S. § 645, all county owned, rented, or leased road machinery or equipment be clearly and visibly marked "Property Of ..."

O·K·L·A·H·O·M·A
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