

STATUTORY REPORT

# GARVIN COUNTY COMMISSIONER DISTRICT 1 TURNOVER

June 28, 2012



*Independently serving the citizens of  
Oklahoma by promoting the  
accountability and fiscal integrity of  
governmental funds.*



Oklahoma State  
Auditor & Inspector  
Gary A. Jones, CPA, CFE

**COUNTY OFFICER TURNOVER STATUTORY REPORT  
KENNETH HOLDEN  
GARVIN COUNTY COMMISSIONER  
DISTRICT 1  
JUNE 28, 2012**

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# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

March 11, 2013

BOARD OF COUNTY COMMISSIONERS  
GARVIN COUNTY COURTHOUSE  
PAULS VALLEY, OKLAHOMA 73075

Transmitted herewith is the Garvin County Officer Turnover Statutory Report for June 28, 2012. 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 "Gary A. Jones".

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR



# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

Kenneth Holden  
Garvin County Commissioner, District 1  
Garvin County Courthouse  
Pauls Valley, Oklahoma 73075

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for June 28, 2012:

- 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.

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, 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, appearing to read "Gary A. Jones".

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR

July 2, 2012

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**FINDING AND RESPONSES**

**Finding 2012-1 Fixed Assets Inventory**

**Condition:** It was noted that the County Commissioner did not maintain an up-to-date inventory listing of all office furniture and equipment with a cost of more than Five Hundred Dollars (\$500.00).

The following nineteen items could not be located:

<b>Item/Description</b>	<b>Serial Number</b>	<b>County Identification Number</b>
Fairmont Chainsaw	FRM116632C	330-019
200PSI Pump	GC02-3869159	412-004
Motorola Radio	1203HGC35	601-009
Motorola Radio	778TTC0939	601-017
Midland Radio	1256631T	601-021
Midland Radio	125664	601-023
Radius Radio	777FYNG727	601-031
Radius Radio	777FYNG737	601-032
Motorola Radio	869FCC224	601-034
Motorola Radio	869FCC234	601-035
Motorola Radio	869FCG8823	601-036
Motorola Radio	869FCG8867	601-037
Motorola Radio	869YCY1299	601-038
Motorola Radio	869YCY1284	601-039
Motorola Radio	869YDN0323	601-040
Motorola Radio	869YDN0340	601-041
Motorola Radio	869YDN0333	601-042
Motorola Radio	869YDN0269	601-043
Motorola Radio	869YDL3328	601-045

**Cause of Condition:** Inventory records were not updated to reflect the disposition of equipment.

**Effect of Condition:** Inventory items were not safeguarded and some items could not be located.

**COUNTY OFFICER TURNOVER STATUTORY REPORT**  
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**Recommendation:** OSAI recommends equipment inventory be periodically reviewed, reconciled, and updated to accurately reflect the equipment on hand.

**Management Response:**

**Former Commissioner:** All but five Motorola radios were found. Some were probably left with equipment when sold and some were taken in for repair and not sure if they were picked up after they could not be fixed as no records were kept on them and serial numbers could have been put down wrong.

**Auditor Response:** The inventory of the fixed assets was performed by the auditor and the former and current commissioner. These items were not presented to the auditor at that time.

**Criteria:** 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 thereafter maintain or cause to be maintained a continuous inventory record...annually thereafter, or oftener...

**Finding 2012-2 Inventory Records**

**Condition:** District 1 maintains a fixed assets inventory record. However, the District did not file it with the County Clerk.

**Cause of Condition:** The official was unaware of the statute requiring the inventory records to be filed with the County.

**Effect of Condition:** This condition could result in inaccurate and incorrect information and non-compliance with state statutes.

**Recommendation:** OSAI recommends that the District file a fixed assets inventory record with the County Clerk.

**Management Response:**

**Former Commissioner:** I was unaware of the state statutes requiring an inventory record be maintained with the County Clerk.

**Criteria:** 19 O.S. § 178.2 states:

It shall be and is hereby made the duty of every county officer, board, commission, or department, and by record directive of the board of county commissioners may be made the duty of any employee of the board of county commissioners subject to summary discharge and removal by the board, to conform in all respects and be amenable to all

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---

uniform resolutions adopted by their respective boards of county commissioners directing the taking, recording, maintaining and reporting inventories of properties in their respective custody in accordance with the provisions of this act. It shall be the duty and responsibility of each elected county official to create and maintain inventory records of said office. Such inventory shall be filed with the County Clerk.

**Finding 2012-3 Consumable Inventory**

**Condition:** Discrepancies were noted when comparing District barn consumable records to physical counts. The District had 100 consumable cards with balances; we visually verified the consumable items on hand and compared them to the consumable cards. We noted 53 items, of which the actual inventory on hand was less than reflected on the consumable cards by \$47,809.43 and 14 items on hand was more than the consumable cards in the amount of \$10,101.36. Also, we verified 5 consumable items on hand in which there was no records maintained. We also found there were no records maintained for fuel. The following schedules list the consumable items and the variances by quantity and amount.

**Consumable inventory items with less on hand than listed on the consumable cards.**

Item/ Description	Variance (Quantity)	Variance (Amount)
Angle Iron – 3x3x1/4	-408 ft	-791.52
Steel Pipe – 4 ½”	-274 ft	-890.50
Channel Iron – 7”	-436 ft	-1,691.68
Channel Iron – 9”	-90 ft	-205.20
Pipe Piling – 9”	-1,496.9 ft	-12,648.91
Angle Iron – 1”	-26 ft	-67.60
Bridge Timber – 18’	-2 timbers	-124.00
Grader Blade – 7’	-10 blades	-422.70
Steel Pipe – 20”	-14.2 ft	-276.90
Pipe – 3”	-632 ft	-948.00
Pipe – 2 7/8”	-2,275 ft	-2,725.00
Steel Pipe – 48”	-60 ft	-4,770.00
Steel Pipe – 2 7/8”	-1,240 ft	-1,550.00
Ripper Boot	-6 boots	-60.00
Sign – 25 mph	-3 signs	-35.70
Sign – 40 mph	-6 signs	-68.10
Sign – Apply at Office	-2 signs	-10.60

**COUNTY OFFICER TURNOVER STATUTORY REPORT**  
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**DISTRICT 1**  
**JUNE 28, 2012**

<b>Item/ Description</b>	<b>Variance (Quantity)</b>	<b>Variance (Amount)</b>
Sign – Authorized Personnel	-2 signs	-10.60
Sign – Bridge Out	-8 signs	-341.48
Sign – Children Crossing	-5 signs	-25.00
Sign – Construction	-37 signs	-1,292.04
Sign – Dead End	-3 signs	-54.00
Sign – Detour Left	-3 signs	-148.14
Sign – Detour Right	-3 signs	-148.14
Sign – Fresh Oil	-8 signs	-171.13
Sign – Hill Slow	-2 signs	-55.66
Sign – Mowing Ahead	-9 signs	-235.74
Sign – No Dumping	-5 signs	-89.15
Sign – Object Marker Left	-10 signs	-139.00
Sign – Object Marker Right	-10 signs	-139.00
Sign – Rough Road	-6 signs	-108.00
Sign – Side Road	-4 signs	-72.00
Sign – Slow Dangerous Intersection	-3 signs	-75.33
Sign – Slow Traffic	-6 signs	-38.40
Sign – Stop Ahead	-1 sign	-28.13
Sign - Stop Sign Face	-37 signs	-730.38
Sign – Visitor Parking	-2 signs	-10.60
Sign – Weight Limit	-8 signs	-236.85
Sign – Yield	-3 signs	-104.22
Steel Pipe – 1 7/8”	-252 ft	-315.00
Tinhorn – 49”x33”x30’	-1 tinhorn	-970.50
Tinhorn – 24”x16”x12’	-2 tinhorns	-355.20
Tinhorn Band – 12”x30’	-6 bands	-36.60
Tinhorn Band – 15”x24’	-96 bands	-726.72
Tinhorn Band – 18”x24’	-15 bands	-135.45
Tinhorn – 28”x20”x24’	-1 tinhorn	-426.00
Tinhorn – 40”x57”x38’	-1 tinhorn	-4,184.00
Tinhorn – 42”x29’	-2 tinhorns	-691.64



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Item/ Description	Variance (Quantity)	Variance (Amount)
Tinhorn – 48’’x14’	-1 tinhorn	-371.00
Tinhorn – 64’’x43’ arched	-16 ft	-821.76
Tinhorn – 66’’x55’’x30’	-120 ft	-6,331.20
Tinhorn – 24’’x18’’x24’	-48 ft	-618.72
Tire – 11/L16	-2 tires	-286.24
Total		<b>-47,809.43</b>

**Consumable inventory items with more on hand than listed on the consumable cards.**

Item/ Description	Variance (Quantity)	Variance (Amount)
Channel Iron – 8’’	166 ft	753.64
Bridge Timber – 16’	10 timbers	540.00
Grader Blade – 6’	6 blades	564.00
Joint Pipe – 2 7/8’’	3249 ft	3,245.00
Pipe – 2 3/8’’	1,660 ft	2,689.20
Steel Pipe – 8 5/8’’	80 ft	680.00
Sign – 35 mph	5 signs	56.75
Sign – Flag Man	4 signs	152.00
Sign – Road Closed	1 sign	44.48
Sign – School Zone	1 sign	14.00
Sign – Stop 30’’	5 signs	173.70
Sign – T	5 signs	90.00
Tire – 11R24.5	4 tires	1,048.76
Tire – 16.9/18.4-30	1 tire	50.31
Total		<b>10,101.36</b>

**No inventory records maintained.**

Item/ Description	Variance (Quantity)	Variance (Amount)
Pipe – 10 3/4’’	27 pipe	Unavailable
Sign – Cemetery Entrance	2 signs	Unavailable

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Item/ Description	Variance (Quantity)	Variance (Amount)
Tinhorn – 16’’x24’	3 tinhorns	Unavailable
Tinhorn – 30’’x30’	1 tinhorn	Unavailable
Tinhorn – 72’’x30’	1 tinhorn	Unavailable

In addition to the items noted above, the District does not maintain a fuel log that has a balance that can be reconciled to the actual fuel on hand.

**Cause of Condition:** Inventory records were not updated to reflect the disposition of consumable inventory. Also, fuel is not on the consumable inventory listing and fuel logs are not accurately maintained.

**Effect of Condition:** Consumable inventory items were not accurately accounted for and the County's consumable inventory items may not be safeguarded.

**Recommendation:** OSAI recommends that the County Commissioners investigate the discrepancies between the consumable records and the physical inventory of consumable items and make appropriate adjustments. Further, OSAI recommends that consumable inventory cards be created and maintained for all consumable inventory items. Fuel logs should be maintained and periodically compared to amounts on hand.

**Management Response:**

**Former Commissioner:** The No Dumping signs are hard to keep because people want to put them up and come to the yard to get one. Employees might give them one and not turn it in at the office. The slow traffic, apply in office and side road signs have not been found but may have been put out with no records kept on them.

The angle iron, 3’’x3’’x1/4’’, is in the yard. The 4.5’’ steel pipe and 3’’ pipe were used as fence post and top rail at the south yard; it was not turned in, as it didn’t leave the yard. The 7’’ channel iron is in the north yard, 9’’ channel (60’) is in north yard, and the 1’’ angle iron in welding shop to build sign stands. The 6 ripper boots are in the shop. The 1 7/8’’ pipe was used to make gates in the south yard because someone ran over the others.

Tinhorn bands 15’’x 24’’ – 96 bands do not understand and 18’’x 24’’ – 15 is the same, do not understand because this is way too many bands and was probably misprinted on the cards. There are some bands in the south yard. All tinhorns were used and in the ground but again may have been taken out and not turned in at the office.

Over the years our personnel has gone through several changes, 3 secretaries and 4 foremen with each having their own way of doing things, serial numbers could be entered wrong, miscounts, some items called by different names but still the same thing, wrong sizes entered instead of measuring and some things just misplaced, but the material was used as it was supposed to be. It is an ongoing job to keep

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everything in its place and accounted for and you depend and trust your employees to help in doing the final count and most of them do.

**Auditor Response:** The inventory of the consumable items performed by the auditor was conducted with the assistance of the former and current commissioner. The items were not shown to the auditor at that time.

**Criteria:** An important aspect of internal controls is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process, affected by an entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's consumable inventory and safeguard consumable inventory from loss, damage, or misappropriation.

19 O.S. § 1502.B states:

B. The board of county commissioners shall:

1. Prescribe a uniform identification system for all supplies, materials and equipment of a county not used in the construction and maintenance of roads and bridges; and
2. Create and administer an inventory system for all:
  - a. equipment of a county having an original cost of Five Hundred Dollars (\$500.00) or more and not used in the construction and maintenance of roads and bridges, and
  - b. supplies and materials of a county purchased in lots of Five Hundred Dollars (\$500.00) or more and not used in the construction and maintenance of roads and bridges.

The board of county commissioners may designate an employee of that office to administer such inventory system.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

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