



GRANT COUNTY COMMISSIONER DISTRICT 3 TURNOVER

Statutory Audit

December 31, 2018

Cindy Byrd, CPA
State Auditor & Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
PATRICK RONCK
GRANT COUNTY COMMISSIONER
DISTRICT 3
DECEMBER 31, 2018**

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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

April 4, 2019

BOARD OF COUNTY COMMISSIONERS
GRANT COUNTY COURTHOUSE
MEDFORD, OKLAHOMA 73759

Transmitted herewith is the Grant County Officer Turnover Statutory Report for December 31, 2018. 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



Patrick Ronck
Grant County Commissioner, District 3
Grant County Courthouse
Medford, Oklahoma 73759

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for December 31, 2018:

- 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.
- Verify that machinery and equipment acquisitions, dispositions, and expenditures are in accordance with 19 O.S. § 333.

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

January 3, 2019



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DECEMBER 31, 2018**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2019-001 - Inadequate Internal Controls and Noncompliance Over Fixed Assets and Consumable Inventories

Condition: During our review of the District 3 County Commissioner’s fixed assets, the following weaknesses were noted:

- An accurate fixed assets inventory list had not been prepared or maintained by the County Commissioner.
- Inventory records on file with the County Clerk are incomplete.
- Sixty-five (65) items could not be located.
- Thirteen (13) items were not properly marked with a county identification number.
- Seven (7) items were not properly marked with “Property of Grant County.”
- One (1) item listed as 353-11 was marked as 353-12.
- Item number 421.02 was listed as grader blade but was a snow plow.
- Only two inventory cards were on file with the County Clerk.

During our review of the District 3 County Commissioner’s consumable inventory, a consumable inventory list had not been prepared or maintained.

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 for account for fixed assets. Additionally, when consumable inventory items are not adequately documented, and duties are not properly segregated, the opportunity for the misappropriation and undetected errors could result.

Recommendation: The Oklahoma State Auditor and Inspector’s Office (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 in accordance with 19 O.S. § 178.2.

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 any fixed assets required, are properly identified with “Property of ...,” in accordance with 69 O.S. § 645.

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Further, OSAI recommends designing and implementing procedures to ensure all consumable inventory items are in accordance with 19 O.S. § 1502, and further, to ensure that all supplies, materials, and equipment received, disbursed, stored and consumed by their department comply with 19 O.S. § 1504(A).

Management Response:

District 3 Commissioner: As of my resignation and prior to, the inventory for District 3 was being updated. A clerical employee has been working on updating this since August. Regarding items not found, to the best of my knowledge, all items have either been sold or junked. Missing numbers were either worn or scrubbed off during routine washing. We inadvertently placed the wrong number on equipment number 353-11. There was a misunderstanding when placing 421.02 on the inventory list.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. 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 transactions and safeguarding assets from misappropriation.

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. § 178.2 requires the inventory records to be filed with the County Clerk.

Title 19 O.S. § 421.1 requires that the county only dispose of equipment through sealed bids, public auction, and/or through the Circuit Engineering District auction.

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

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.

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.

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