



HASKELL COUNTY COMMISSIONER DISTRICT 3 TURNOVER

Statutory Report

January 3, 2019

Cindy Byrd, CPA
State Auditor & Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
PAUL STORIE
HASKELL COUNTY COMMISSIONER
DISTRICT 3
JANUARY 3, 2019**

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February 12, 2019

BOARD OF COUNTY COMMISSIONERS
HASKELL COUNTY COURTHOUSE
STIGLER, OKLAHOMA 74462

Transmitted herewith is the Haskell County Officer Turnover Statutory Report for January 3, 2019. 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,



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



Paul Storie
Haskell County Commissioner, District 3
Haskell County Courthouse
Stigler, Oklahoma 74462

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for January 3, 2019:

- 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.
- 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

January 17, 2019



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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2019-001 – Noncompliance with State Statutes - Fixed Assets

Condition: Upon inquiry and observation of fixed assets and inventory records, we noted the following:

- The District did not maintain and file a list of fixed assets with the County Clerk.
- A transmission jack was located at the home of a former employee. The District could not provide an explanation as to why the inventory item was at the home.
- The District is not updating inventory records to reflect all fixed asset acquisitions with a value of \$500 or more. We noted the following pieces of equipment were not included on inventory records:

Equipment Type	Serial Number
2004 Chevy 3500	8704
Puma Air Compressor	None
Red Volvo Water Truck	None
Cat Grader	00159
Asphalt Zipper	1791
Durapatcher Asphalt Machine	1552
Elite Trailer	0313
Yellow Equipment Trailer	None
Dynapac Roller	None
White Semi Trailer	None
Stihl Chainsaw	None
Lincoln Welder	None
Wheel Dolly	0921
Clean Master Parts Cleaner	None
HP Computer	07Y9
Stihl Chainsaw	None
John Deere Tractor 4105	None

- The auditor was unable to locate the following pieces of equipment and the District was unable to provide documentation to verify that the equipment was disposed.

County ID Number	Equipment Type	Serial Number
None	2008 Sterling Truck	2FZHAWB538AZ
None	Caterpillar Grader 140H	EPD20514
None	Tar Kettle	None
None	2009 Caterpillar Grader	CAT0140MCB9D01914
None	1985 Wheel Tractor	C72986-5

COUNTY OFFICER TURNOVER STATUTORY REPORT
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JANUARY 3, 2019

Cause of Condition: Policies and procedures have not been designed and implemented to ensure fixed assets inventory records are properly maintained and filed with the County Clerk.

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's Office (OSAI) recommends that all equipment with a value of \$500 or more be included on fixed asset inventory records. These records should be maintained in the County Clerk's office and updated as equipment is acquired and disposed of. OSAI recommends that the District investigate and determine the disposition of the equipment that could not be located. OSAI also recommends that the equipment located at the former employee's home be returned to the District barn.

Management Response:

Former County Commissioner District 3: Chose not to respond.

Current County Commissioner District 3: A list of fixed assets is in the process of being made and will be filed with the County Clerk's office when completed. The transmission jack was returned to the District 3 shop. The former commissioner was friends with the individual that had this item and let him borrow it. Inventory records are currently being updated. A resolution letter was written for disposal of the five pieces of missing equipment and will go before the next BOCC board meeting.

Criteria: 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 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 thereof and of like tools, apparatus, machinery and equipment purchased, leased or otherwise coming into the custody of the county or of any office, board, department, commission or any or either thereof, and the disposition thereof whether sold, exchanged, leased or let where authorized by statute, junked, strayed or stolen, and annually thereafter..."

Title 19 O.S. § 421 states:

From and after the effective date of this act, each board of county commissioners of the several counties in the state shall within thirty (30) days after the disposition of any tools, apparatus, machinery, and equipment belonging to the county or leased or otherwise let to it or any department thereof, the original cost of which is more than Five Hundred Dollars

**COUNTY OFFICER TURNOVER STATUTORY REPORT
PAUL STORIE
HASKELL COUNTY COMMISSIONER
JANUARY 3, 2019**

(\$500.00), whether sold, exchanged, junked, leased or let where authorized by statute, shall enter, or cause to be entered, in the minutes of the proceedings of the board the fact of such disposition, including complete description of item, serial number, the date property was acquired, the name and address of the person or firm from whom property was acquired, the cost price at time of acquisition or contract price if acquired under lease-rental agreement, the date of disposition, the name and address of the person or firm to whom property transferred, the price received therefore and the reason for disposition.

Finding 2019-002 – Noncompliance with State Statute - Consumable Inventory

Condition: Upon inquiry and observation of consumable inventory items, we noted the following:

- The District is not maintaining consumable inventory records that can be reconciled to the consumables on hand.
- The District is not reconciling the fuel log to the fuel on hand.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure compliance with the state statutes regarding the maintaining of consumable items.

Effect of Condition: These conditions resulted in noncompliance with state statute. When consumable inventories are not monitored on a regular basis, opportunities for misuse or theft of items are more likely to occur.

Recommendation: OSAI recommends management prepare and maintain consumable items records for all consumable inventories. These records should be kept with a balance that can be reconciled to the actual consumable items on hand. OSAI also recommend that a fuel log be maintained with a balance. This fuel log should be reconciled to the fuel on hand and indicate any variances between the fuel log and the fuel on hand.

Management Response:

Former County Commissioner District 3: Chose not to respond.

Current County Commissioner District 3: A consumable inventory record is in the process of being made. No previous records could be located. Also, I called our gas/diesel provider and they are getting accurate sizes of our tanks and will provide me with a new calculator result sheet to reconcile the fuel on hand.

Criteria: 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.

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Effective internal controls include 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. § 1502.

O·K·L·A·H·O·M·A
SAI
STATE AUDITOR & INSPECTOR



Cindy Byrd, CPA | State Auditor & Inspector

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