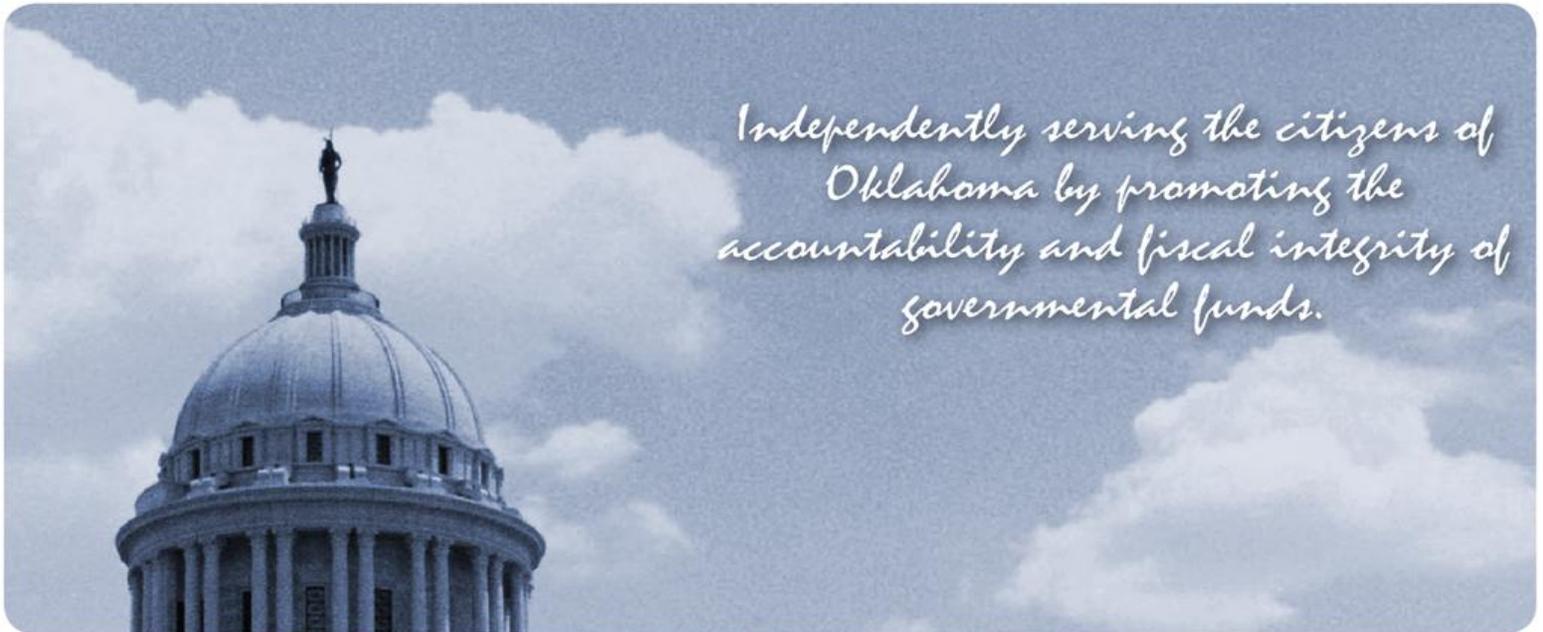


STATUTORY REPORT

# HUGHES COUNTY COMMISSIONER DISTRICT 3 TURNOVER

December 18, 2014



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

**COUNTY OFFICER TURNOVER STATUTORY REPORT  
JIM SEARCY  
HUGHES COUNTY COMMISSIONER  
DISTRICT 3  
DECEMBER 18, 2014**

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This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 19 O.S. § 171, has not been printed, but is available on the agency's website ([www.sai.ok.gov](http://www.sai.ok.gov)) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to 74 O.S. § 3105.B.



# Oklahoma State Auditor & Inspector

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

January 23, 2015

BOARD OF COUNTY COMMISSIONERS  
HUGHES COUNTY COURTHOUSE  
HOLDENVILLE, OKLAHOMA 74848

Transmitted herewith is the Hughes County Officer Turnover Statutory Report for December 18, 2014. 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

Jim Searcy  
Hughes County Commissioner, District 3  
Hughes County Courthouse  
Holdenville, Oklahoma 74848

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for December 18, 2014:

- 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.
- Verify that the Office is not exceeding the maximum amount of cash authorized for their change needs per 19 O.S. § 682.

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.

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

December 22, 2014

**COUNTY OFFICER TURNOVER STATUTORY REPORT**  
**JIM SEARCY**  
**HUGHES COUNTY COMMISSIONER DISTRICT 3**  
**DECEMBER 18, 2014**

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2015-01 – Fixed Assets Inventory**

**Condition:** We were unable to locate the following items:

<b>Equipment</b>	<b>Serial Number</b>	<b>County Identification Number</b>
Rhino Post Driver	49713	399-21
Worthington Air Drill	288	402-03
Enerpac Porta Power	P-391	410-16
Motorola Radio	869FAG0514	443-106
3/4" Impact Wrench	1184L433	499-35

We also noted that the fixed asset inventory record at the County Clerk's office was not up-to-date.

**Cause of Condition:** Procedures have not been implemented to ensure an annual review of fixed asset inventory is performed and fixed asset records are updated with the County Clerk.

**Effect of Condition:** This condition resulted in noncompliance with state statute and inaccurate inventory records.

**Recommendation:** The Oklahoma State Auditor & Inspector's Office (OSAI) recommends the District perform an annual review of fixed asset inventory and update all fixed asset records with the County Clerk.

**Management Response:**

**County Commissioner:** These items were purchased before I took office, and I was unaware that they were on the inventory record. Most of these appear to be old and obsolete, and I believe that they were probably discarded.

**Criteria:** 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 apart of lands and buildings, the cost of which as to each complete working unit thereof is more than Five Hundred Dollars (\$500.00), and therefore maintain or cause to be maintained a continuous inventory record....annually thereafter, or oftener...."

**COUNTY OFFICER TURNOVER STATUTORY REPORT**  
**JIM SEARCY**  
**HUGHES COUNTY COMMISSIONER DISTRICT 3**  
**DECEMBER 18, 2014**

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**Finding 2015-02 – Consumable Inventory**

**Condition:** OSAI verified the consumable inventory items on hand to the consumable inventory records, noting the following discrepancies:

<b>Consumable Item</b>	<b>Amount on Record</b>	<b>Amount on Hand</b>	<b>Variance</b>
<b>Signs:</b>			
Weight Limit	0	26	26
Bridge Marker Left	4	0	-4
Bridge Marker Right	4	0	-4
No Trucks	2	0	-2
Children At Play	10	7	-3
Dead End	5	2	-3
Weight Limit 5 Tons	5	3	-2
Bridge Out	6	8	2
Loose Gravel	4	2	-2
No Dumping	6	2	-4
No Thru Trucks	7	8	1
Road Closed	6	2	-4
Road Work Ahead	3	2	-1
School Arrow Left	1	0	-1
Speed Limit 25 Mph	6	4	-2
Stop	8	7	-1
<b>Tinhorns:</b>			
48"	0	36 ft.	36 ft.
12" CGSP 12x35'	70 ft.	56 ft.	-14 ft.
12" X 20' Plastic	50 ft.	10 ft.	-40 ft.
15" X 35' CSP 16 Gauge	56 ft.	0 ft.	-56 ft.
18" CGSP 16 Gauge 36'	288 ft.	252 ft.	-36 ft.
24" X 35' 16 Gauge	142 ft.	125 ft.	-17 ft.
Bands	5	6	1
<b>Steel Pipe:</b>			
2 7/8"	2,483 ft.	2,100 ft. (approx.)	-383 ft. (approx.)
24"	94.20 ft.	82 ft.	-12.20 ft.
4 1/2"	1,752 ft.	1,240 ft. (approx.)	-512 ft. (approx.)
4" - New	505 ft.	700 ft (approx.)	195 ft. (approx.)

**COUNTY OFFICER TURNOVER STATUTORY REPORT**  
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**HUGHES COUNTY COMMISSIONER DISTRICT 3**  
**DECEMBER 18, 2014**

Consumable Item	Amount on Record	Amount on Hand	Variance
<b>Miscellaneous Metal:</b>			
2 3/8" Tubing	783 ft.	0	-783 ft.
21" Steel I Beams	792 ft.	480 ft. (approx.)	-312 ft (approx.)
4" Channel Iron	140 ft.	38 ft.	-102 ft.
6" Channel Steel	599.20 ft.	410 ft. (approx.)	-189.20 ft. (approx.)
6" Steel H Beams	791 ft.	0	-791 ft.
<b>Grader Blades:</b>			
Blades	34	29	-5
<b>Lumber:</b>			
3"X12"X16' Treated	59	58	-1
<b>Rock And Gravel:</b>			
3" - 4" Class A Rock	57.45 tons	20 tons (approx.)	-37.45 tons (approx.)
Native Red Gravel	99.37 tons	75 tons (approx.)	-24.37 tons (approx.)
<b>Tires:</b>			
700-15 Trailer	1	0	-1
8.5/90-15/6 TU Roller	3	1	-2
ST 225/75R15	1	0	-1

**Cause of Condition:** Procedures have not been designed and implemented to accurately account for consumable inventories.

**Effect of Condition:** This condition resulted in noncompliance with state statute and inaccurate inventory records and could result in unauthorized use of consumable inventories, or loss of consumable inventories.

**Recommendation:** OSAI also recommends that consumable inventory cards be maintained and updated for all consumable inventory items. Furthermore, OSAI recommends that the District perform and document a periodic physical count of inventory.

**Management Response:**

**County Commissioner:** The pipe and beams have been here since before I took office. To my knowledge, none of these have been used while I was in office. We have not been performing a review of consumable inventory records, and this could be why we didn't know about the materials that were gone. Also, the County hands were not telling the secretary when getting signs, tires, and grader blades.

**Criteria:** 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. § 1504A.



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