

STATUTORY REPORT

HUGHES COUNTY SHERIFF TURNOVER

January 2, 2013



*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
HOUSTON YEAGER
HUGHES COUNTY SHERIFF
JANUARY 2, 2013**

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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 1, 2013

BOARD OF COUNTY COMMISSIONERS
HUGHES COUNTY COURTHOUSE
HOLDENVILLE, OKLAHOMA 74848

Transmitted herewith is the Hughes County Officer Turnover Statutory Report for January 2, 2013. 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, appearing to read 'Gary A. Jones', is written over a light blue horizontal line.

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



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Houston Yeager
Hughes County Sheriff
Hughes County Courthouse
Holdenville, Oklahoma 74848

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for January 2, 2013:

- Verify that equipment items on hand agree with inventory records as per 19 O.S. § 178.1.
- 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.
- Verify that a monthly report of the Office is on file with the County Clerk per 19 O.S. § 684.
- Verify that the Officers' depository account balances reconcile with the County Treasurer's records and that undeposited cash reconciles to receipts.

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

January 2, 2013

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2013-1 – Fixed Assets Inventory

Condition: During our review of the fixed assets inventory, the following ten items could not be located.

Item/Description	Serial Number	County Identification Number
ATV Trailer	None	600-3A
Glock 40 Cal. Pistol	None	None
Hitachi Laptop Computer	591	None
Hitachi Laptop Computer	527	None
Hitachi Laptop Computer	13800994	None
Motorola Handheld Radio	018TFWX897	None
Motorola Handheld Radio	018TFWX836	None
1994 Jeep Cherokee	172414	B-600-10
1993 Ford Crown Victoria	162465	B-600-14
2003 Ford Crown Victoria	None	None

Cause of Condition: This condition was caused due to a failure to maintain an accurate and up-to-date inventory list.

Effect of Condition: Failure to maintain accurate records of fixed assets inventory and failure to perform a periodic physical inventory count of fixed assets inventory could result in inaccurate records, unauthorized use, or misappropriation of fixed assets inventory.

Recommendation: OSAI recommends that the District perform a review and reconciliation of fixed assets inventory on hand to fixed asset records, on an annual basis to determine all equipment listed on inventory records is properly accounted for.

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Management Response:

Outgoing Sheriff:

The trailer was junked and was not removed from the inventory. The Glock pistol was lost or stolen, and a police report was not filed. The three laptops were sent to a repair shop for repair. The maker of the laptops no longer made parts for those models, and I believe that the repair shop still has them. I will look into the disposition of the handheld radios.

Current management could not find documentation to determine the disposition of the missing vehicles.

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 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 custody of the county or of any office, board, department, commission or any either thereof, and the disposition thereof whether sold, exchanged, leased or let where authorized by statute, junked, strayed or stolen, and annually thereafter.

Finding 2013 – 2 – Fixed Assets Records

Condition: While verifying fixed assets inventory, we noted that the Sheriff's inventory list and the Fixed Assets Inventory at the County Clerk's office were not being updated.

Cause of Condition: This condition was caused due to a failure to maintain an accurate and up-to-date inventory list.

Effect of Condition: Failure to maintain accurate records of fixed assets inventory and failure to perform a periodic physical inventory count of fixed assets inventory could result in inaccurate records, unauthorized use, or misappropriation of fixed assets inventory.

Recommendation: OSAI recommends that the District perform a review and reconciliation of fixed asset inventory on hand to fixed asset records, on an annual basis.

Management Response:

Outgoing Sheriff

I was aware of the need to update the inventory, however due to the shortage of personnel and time; I did not have time to update the list.

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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 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 therefore 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 custody of the county or of any office, board, department, commission or any either thereof, and the disposition thereof whether sold, exchanged, leased or let where authorized by statute, junked, strayed or stolen, and annually thereafter.

Finding 2013 – 3 – Fund Balances

Condition: During our examination of fund balances for the County Sheriff, we discovered the expenditures exceeded the maximum amount allowed for the operation of the office for the following fund:

- County General \$34,500.88

Cause of Condition: Procedures have not been designed and implemented to track expenditures to ensure compliance with state statutes.

Effect of Condition: This condition resulted in violation of 19 O.S. § 347.C and could result in financial hardship for the incoming officer in carrying out his or her official duties.

Recommendation: OSAI recommends the County establish procedures to verify outgoing officers do not make expenditures in excess of statutory limitations. When circumstances exist creating the need to exceed those limits, the excise board has the power to grant written permission for the expenditures.

Management Response:

Outgoing Sheriff:

Usually the County Clerk notifies me when we are running close to the 50% limit; however, we ran a little over and did not switch over accounts before going over the 50% limit.

Criteria: Title 19 § 347.C states:

Whenever a county officer holding an elective office will not immediately serve a succeeding term in the same office, it shall be unlawful for the board of county commissioners, during the first six (6) months of the fiscal year in which said term of office expires, to approve claims for the operation of said office totaling in excess of one-half (1/2) the amount allocated for the operation of said office during said fiscal year, unless approval in writing is obtained from the county excise board, and any claim in excess thereof and any warrant issued pursuant thereto shall be null and void.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

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