

STATUTORY REPORT

KAY COUNTY COMMISSIONER DISTRICT 1 TURNOVER

January 5, 2015



*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
DEE SCHEIBER
KAY COUNTY COMMISSIONER
DISTRICT 1
JANUARY 5, 2015**

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) 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 30, 2015

BOARD OF COUNTY COMMISSIONERS
KAY COUNTY COURTHOUSE
NEWKIRK, OKLAHOMA 74647

Transmitted herewith is the Kay County Officer Turnover Statutory Report for January 5, 2015. 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

Vance Johnson
Kay County Commissioner, District 1
Kay County Courthouse
Newkirk, Oklahoma 74647

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for January 5, 2015:

- 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 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 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.

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

January 5, 2015

**COUNTY OFFICER TURNOVER STATUTORY REPORT
DEE SCHIEBER
KAY COUNTY COMMISSIONER
JANUARY 5, 2015**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2015-01 – Inadequate Internal Controls and Noncompliance Over Fixed Assets Inventory

Condition: During our review of fixed assets, the Oklahoma State Auditor and Inspector (OSAI) noted the following exceptions:

- Of the 130 items on the inventory list, 19 did not have a County identification number.
- Of the 30 items requiring “Property of Kay County” identification, 22 items were not properly marked.
- The following items could not be located:

Inventory Number	Description	Amount
D1-409-01	2008 Eye Swivel	\$1,140.00
D1-412-02	1984 Diesel Fuel Pump 785 MC	\$2,176.10

Cause of Condition: Procedures have not been designed to implement internal controls over the safeguarding of fixed assets by placing inventory tags on all inventory items and maintaining an accurate inventory listing.

Effect of Condition: This condition has resulted in noncompliance with state statutes. Failure to maintain accurate records of fixed assets and to perform a periodic physical inventory of fixed assets could result in inaccurate records, unauthorized use of fixed assets, or misappropriation of fixed assets.

Recommendation: OSAI recommends that management implement controls to comply with 19 O.S. § 178.1. OSAI also recommends the District perform a review and reconciliation of fixed assets inventory on hand to fixed assets records on an annual basis. Further, OSAI recommends management implement controls to comply with 69 O.S. § 645.

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...annually thereafter, or oftener...”

Title 69 O.S. § 645 states, “The board of county commissioners shall cause each piece of county-owned, rented, or leased road machinery and equipment, and each automobile and truck, to be marked in accordance with the provisions of this section. County-owned automobiles, trucks, road machinery and equipment shall be conspicuously and legibly

**COUNTY OFFICER TURNOVER STATUTORY REPORT
DEE SCHIEBER
KAY COUNTY COMMISSIONER
JANUARY 5, 2015**

marked PROPERTY OF (name of county) COUNTY, on each side, in upper case letters, on a background of sharply contrasting colors.”

Finding 2015-02 – Inadequate Internal Controls and Noncompliance Over Consumable Inventory

Condition: During our review of consumable inventory items, OSAI noted the following exceptions:

Consumable Item	Quantity Recorded	Quantity Verified	Variance
Diesel Fuel Warehouse #1	1,194 Gal	1,320.608 Gal	126.608 Gal
Diesel Fuel Warehouse #2	1,414.90 Gal	1,036.847 Gal	-378.053 Gal
Unleaded Fuel	1,148.96 Gal	505.617 Gal	-643.343 Gal
41” x 75.20’ Steel Pipe	-75’ 2.4”	51’ 2”	126’ 4.4”
15” x 24’ 16 Gauge Pipe	-1 LF	0 LF	1 LF
26” Steel Pipe	94.30 Ft.	0 Ft.	-94.30 Ft.
30” x 30” 16 Gauge Pipe	1 Each	0 Each	-1 Each
42” Steel Pipe	83 Ft.	0 Ft.	-83 Ft.
48” x 120” Steel Pipe	48 Ft.	0 Ft.	-48 Ft.
5/8 x 8 x 7 Straight Edge Blades	61 Each	34 Each	-27 Each
84” x 24” Culvert Pipe	-48 Ft.	0 Ft.	48 Ft.
Angle Iron 3” x 3” x 1/4” x 20’	20 Each	25 Each	5 Each
Channel Iron 6” x 20’	492 Lb.	0 Lb.	-492 Lb.
Concrete (60 Lb. Bags)	-3 Each	1 Each	-4 Each
Curved Edge Blades 5/8 x 8/7	0 Each	2 Each	2 Each
Detour Sign 24” x 30” Hi-Intensity L/R	4 Each	2 Each	-2 Each
H-Beams 10” x 42” x 40’	-2 Each	0 Each	2 Each
H-Beams 10” x 42” x 20’	-4 Each	0 Each	4 Each
Men Working Sign 30”	6 Each	2 Each	-4 Each
Posts Green 6” Delineator	49 Each	2 Each	-47 Each
Proline Asphalt Bags	117.14 Bags	96 Bags	-21.4 Bags

COUNTY OFFICER TURNOVER STATUTORY REPORT
DEE SCHIEBER
KAY COUNTY COMMISSIONER
JANUARY 5, 2015

Consumable Item	Quantity Recorded	Quantity Verified	Variance
(50 Lb.)			
Reflectors 4" Yellow	7 Each	0 Each	-7 Each
School Loading Sign 25 MPH	3 Each	2 Each	-1 Each
School Time Sign 9" x 24"	4 Each	3 Each	-1 Each
Signs Road Closed	10 Each	15 Each	5 Each
Stop Sign 30" HIP	4 Each	7 Each	3 Each
Telespar Post 12-Ft. (2 1/4" x 12')	.25 Each	0 Each	-.25 Each
Telespar Post 8-Ft. (2" x 8')	15 Each	13 Each	-2 Each
Telespar Post Base 3-Ft. (2 1/4" x 2 1/4")	28 Each	18 Each	-10 Each

Cause of Condition: Procedures have not been designed and implemented to ensure accurate consumable inventory records are maintained.

Effect of Condition: This condition resulted in noncompliance with state statutes. Failure to maintain accurate records of consumable inventory items and perform a periodic physical inventory of consumable inventory items could result in inaccurate records, unauthorized use, or misappropriation of consumable inventory.

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends that the District maintain current consumable inventory records and periodically perform a review and reconciliation of consumable inventory on hand to consumable records.

Criteria: Title 19 O.S. § 1504.A states, "A receiving officer shall receive all purchased, lease-purchased or rented items procured for the department and shall identify such items received in a manner prescribed by the county road and bridge inventory officer or board of county commissioners or designee. The receiving officer shall also maintain a record of all such items received, disbursed, stored and consumed by the department."



OFFICE OF THE STATE AUDITOR & INSPECTOR
2300 N. LINCOLN BOULEVARD, ROOM 100
OKLAHOMA CITY, OK 73105-4896

WWW.SAI.OK.GOV