

STATUTORY REPORT

KIOWA COUNTY COMMISSIONER DISTRICT 2 TURNOVER

December 12, 2012



*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 MAX CORBIN
KIOWA COUNTY COMMISSIONER
DISTRICT 2
DECEMBER 12, 2012**

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Oklahoma State Auditor & Inspector

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January 18, 2013

BOARD OF COUNTY COMMISSIONERS
KIOWA COUNTY COURTHOUSE
HOBART, OKLAHOMA 73651

Transmitted herewith is the Kiowa County Officer Turnover Statutory Report for December 12, 2012. 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".

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



Oklahoma State Auditor & Inspector

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Dee Max Corbin
Kiowa County Commissioner, District 2
Kiowa County Courthouse
Hobart, Oklahoma 73651

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for December 12, 2012:

- 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.

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.

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

December 12, 2012

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2013-1-Fixed Assets Inventory

Condition: While performing inventory verification at the District 2 barn, the following discrepancies were noted.

- Sixteen items were not marked with a County identification number.

County ID Number	Description	Serial Number	Cost
D-301-0125A	TRUCK BED	1GBJK391X3E323494	\$1,995.00
D-330-0022	POWER PRUNER	11014	\$612.00
D-337-0007	BROOM W/ WATE	36737	\$10,000.00
D-348-0085	CONTAINER PIPE	1GRER9621RM073804	\$3,500.00
D-355-0010	LASER SURVEY	J45853	\$910.00
D-399-0012	BOX BLADE	NOT AVAILABLE	\$2,800.00
D-404-0013	BROCO PORTA WELDER	NOT AVAILABLE	\$727.00
D-413-0020	FUEL STORAGE	C763708	\$46,992.99
D-420-0012	PUMPING SPRAY	NOT AVAILABLE	\$1,402.91
D-421-0003	SKIDSTEER	WO#204958	\$2,000.00
D-430-0009	SICKLE MOWER	34034-0101-423	\$1,375.00
D-440-0002	ROTARY TILLER	549912	\$600.00
D-441-0035	ROTARY CUTTER CX15	POCX15F018001	\$13,767.84
D-610-0033	COMPUTY, KEY	CNOY239370821447C1	\$1,287.35
D-610-0044	COMPUTER OPTIPLEX	GZL47J1	\$1,328.88
D-610-0045	COMPUTER OPTIPLEX	GZL4751	\$1,328.88

Further, an air compressor, identified with D-406-12, was not on the fixed assets inventory list. An Ark welder, identified with D-404-0001B was on the fixed assets inventory list but could not be visually verified.

Cause: Procedures have not been designed and implemented to ensure fixed asset inventory is adequately marked with county identification numbers.

Effect: This condition could result in inventory items not being accurately accounted for and the County's assets may not be safeguarded.

Recommendation: OSAI recommends the County mark all equipment with an identification number.

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Management Response: In response to the fixed asset inventory finding, the Kiowa County District 2 office has purchased labels with appropriate identification numbers and “Property of Kiowa County” to properly identify each piece of equipment. The inventory listing will be more closely monitored and updated on a regular basis.

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...biennially thereafter, or oftener.”

Finding 2013-2-Marking of Equipment

Condition: While performing inventory verification at the District 2 barn, the following discrepancies were noted.

- Twenty items were not marked with “PROPERTY OF.”

County ID Number	Description	Serial Number	Cost
D-301-0103	PICKUP	1GCFK24H1SE177713	\$8,210.00
D-301-0134	PICKUP 2000 DODGE	1FTSF21PX7EA30697	\$4,200.00
D-301-0140	PICKUP GMC 3500	18242	\$14,500.00
D-302-0063	TRUCK	1FUYYCY88HH303701	\$27,500.00
D-302-0130	TRUCK	1FUJAHCG82LK19291	\$24,000.00
D-304-0032	TRACTOR	RW7320R053471	\$58,923.43
D-307-0054	GRADER	41244	\$152,802.00
D-307-0055	GRADER VOLVO	41243	\$152,804.00
D-307-0058	GRADER G930	41426	\$146,695.00
D-315-0012	CRANE T-250	53088	\$12,500.00
D-320-0011B	PADDLE FOOT	4215S17	\$14,500.00
D-345-0047	LOADER	L110FV61584	\$160,646.00
D-345-0048	COMPACT TRAC	NCM425398/GRAPPLE	\$55,600.00
D-347-0015	MINI VAN	2C4GP34322R785386	\$3,600.00

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(Continued) County ID Number	Description	Serial Number	Cost
D-348-0020B	UTILITY TRALER	4DHU51624NS000184	\$725.00
D-348 -0058	VAN BOX TRAIL	1PTO71NF2B6000872	\$1,775.00
D-348-0079	TRAILER	1C9NG51364H883045	\$36,520.00
D-348-0082	TRAILER	1C91138265S770489	\$22,700.00
D-348-0095	CONTAINER PIPE	1GRER9621RM073804	\$3,500.00
D-348-0097	TRAILER	4P5D7102781121124	\$14,400.00

Cause: Procedures have not been designed and implemented to ensure fixed asset inventory is adequately marked with “Property of...”

Effect: This condition could result in inventory items not being accurately accounted for and the County’s assets may not be safeguarded.

Recommendation: OSAI recommends the County mark all vehicles, road machinery and equipment with “Property of...”

Management Response: In response to the fixed asset inventory finding, the Kiowa County District 2 office has purchased labels with appropriate identification numbers and “Property of Kiowa County” to properly identify each piece of equipment

Criteria: Title 69 O.S. § 645 states in part:

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

Finding 2013-3-Consumable Inventory

Condition: The following discrepancies were noted during the verification of consumable inventory:

- Twenty–seven items listed on the inventory did not agree with the physical count of items.

Item	Inventory Card	Actual Count
12” STEEL PIPE	150.90	133
18” STEEL PIPE	132.80	30

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(Continued) Item	Inventory Card	Actual Count
20" PIPE	281.20	260
22" USED STEEL PIPE	92	13
26 USED STEEL PIPE	96.91	9
30" USED STEEL PIPE	219.30	184
41" USED STEEL PIPE	19.30	21
48" USED STEEL PIPE	18.30	25
ARROW SIGNS DOUBLE	6	2
GALV SHEETING 12 GA	10	COULD NOT LOCATE
GRADER BLADES 5/8X8X8X8	4	3
PIPE 12 3/4 USED STEEL	142	COULD NOT LOCATE
PIPE 36" USED STEEL PIPE	37.80	COULD NOT LOCATE
PIPE 41" USED STEEL PIPE	7.80	COULD NOT LOCATE
SIGNS – 30" STOP SIGN	22	6
SIGNS – CHILDREN AT PLAY	13	6
SIGNS – LOOSE GRAVEL	6	4
SIGNS – NARROW BRIDGE	3	5
SIGNS – ONE LANE BRIDGE	3	5
SIGNS – RIGHT CURVE	4	2
SIGNS – ROAD CLOSED	10	4
SIGNS 18"X36" DBLE ARROW	4	2
SIGNS – 30" DEAD END AHEAD	6	5
SIGNS – SPEED LIMIT 50 MPH	4	6
STEEL FLAT STRAP 4"X1/2"	3	1
STOP AHEAD SIGN	0	2
WEIGHT LIMIT 15 TONS SIGN	15	16

Cause: Procedures have not been designed and implemented to ensure consumable inventory items are adequately accounted for.

Effect: This condition could result in misappropriation of county assets.

Recommendation: OSAI recommends consumable records be updated to accurately reflect inventories on hand and these records be maintained perpetually.

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Management Response: In response to this finding, consumable records are being updated to accurately reflect inventories on hand, as they are purchased, and as consumable items are being used on a daily basis.

Criteria: Title 19 O.S. § 1502 prescribes procedures to be used to account for supplies and materials used in the construction and maintenance of roads and bridges.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

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