



LATIMER COUNTY COMMISSIONER DISTRICT 2 TURNOVER

Statutory Report

January 14, 2025

Cindy Byrd, CPA
State Auditor & Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
JERRY JILES
LATIMER COUNTY COMMISSIONER
DISTRICT 2
JANUARY 14, 2025**

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OKLAHOMA
Office of the State Auditor & Inspector

Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov

April 4, 2025

BOARD OF COUNTY COMMISSIONERS
LATIMER COUNTY COURTHOUSE
WILBURTON, OKLAHOMA 74578

Transmitted herewith is the Latimer County Officer Turnover Statutory Report for January 14, 2025. 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 "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



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Jerry Jiles
Latimer County Commissioner, District 2
Latimer County Courthouse
Wilburton, Oklahoma 74578

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for January 14, 2025:

- Verify that equipment items on hand agree with inventory records maintained per 19 O.S. § 178.1 and 19 O.S. § 178.2.
- 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 16, 2025

COUNTY OFFICER TURNOVER STATUTORY REPORT
JERRY JILES
LATIMER COUNTY COMMISSIONER
JANUARY 14, 2025

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2025-001 – Internal Controls and Noncompliance Over Fixed Assets and Consumable Inventory

Condition: While comparing the one hundred-twenty (120) fixed asset items listed on the District's inventory to the inventory on hand, the following exceptions were noted:

- Nine (9) items were listed on the District's inventory but could not be located. *(Appendix 1)*
- Forty-one (41) items found were not listed on fixed asset inventory. *(Appendix 2)*

Additionally, the observation and test of consumable inventories for the District indicated the following internal control weaknesses and noncompliance:

- Fuel usage logs were not maintained.
- Reconciliations between fuel usage, fuel acquired, and fuel on hand were not performed.
- Consumable inventory records are not maintained.
- Twenty-three (23) items located were not listed on consumable inventory. *(Appendix 3)*

Cause of Condition: Policies and procedures have not been designed and implemented over the County's fixed assets and consumable inventories to ensure compliance with state statutes.

Effect of Condition: These conditions resulted in noncompliance with state statutes and inaccurate fixed asset and consumable inventory records. When fixed asset and consumable inventory items are not adequately safeguarded and accounted for, there is an opportunity for misappropriation and undetected errors.

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends that management design and implement internal controls to ensure compliance with state statutes and that fixed assets and consumable inventories are safeguarded against misuse and loss. An annual fixed asset inventory verification should include the following:

- Be performed annually by two individuals.
- Physically verify items on-site by serial number or asset tag.
- Properly file resolutions of surplus and disposal of assets.
- Inventory records should be properly maintained to reflect assets disposed and/or acquired.

Further, OSAI recommends designing and implementing procedures to ensure that all supplies, materials, and equipment received, disbursed, stored and consumed by their department comply with state statutes.

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Consumable inventory records should include the following:

- Fuel usage logs should be maintained.
- Reconciliation of fuel on hand should be performed weekly.
- Consumable inventory records should be created and maintained for all consumable items.
- Reconciliation of consumable inventory should be performed weekly.

Management Response:

Incoming County Commissioner: Issues reported from the turnover audit will be corrected, and the fixed asset and consumable inventory will be brought up to date immediately. I will implement a system to ensure all fixed asset and consumable inventory records are properly maintained, which will include the following:

- A fuel log will be kept daily.
- Fuel tanks will be checked weekly to verify usage.
- Inventory will be better safeguarded and accounted for.
- All consumable inventory will be logged.
- Transfer documentation will be completed after use of any consumable items.

As the incoming commissioner for District 2, I can assure that I will be dedicated to creating a process of improvement. Asset management will be a priority, and training will be provided for my employees to ensure better records.

Criteria: The United States Government Accountability Office's *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasigovernmental entities.

The GAO Standards – Principle 10 – Design Control Activities: 10.03 states in part:

Physical control over vulnerable assets

Management establishes physical control to secure and safeguard vulnerable assets. Examples include security for and limited access to assets such as cash, securities, inventories, and equipment that might be vulnerable to risk of loss or unauthorized use. Management periodically counts and compares such assets to control records.

The GAO Standards – Section 2 – Objectives of an Entity – OV2.24 states in part:

Safeguarding of Assets

Management designs an internal control system to provide reasonable assurance regarding prevention or prompt detection and correction of unauthorized acquisition, use, or disposition of an entity's assets.

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Title 19 O.S. § 178.2 requires each elected county official to create and maintain inventory records of said office. Such inventory shall be filed with the county clerk.

Title 19 O.S. § 1502(A)(1) which requires a prescribed uniform identification system for all supplies, materials, and equipment of a county used for maintenance for roads and bridges:

Title 19 O.S. § 1502(B)(1) which requires a prescribed uniform identification system for all supplies, materials, and equipment of a county not used in the construction and maintenance for roads and bridges.

Title 19 O.S. § 1504(A) requires the receiving officer to maintain a record of all items received, disbursed, stored, and consumed by the department.

Appendix 1

COUNTY OFFICER TURNOVER STATUTORY REPORT
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Appendix 1

Items were listed on the fixed asset inventory but could not be located.

County Number	Description	Identification Number	Cost
D2-330.08	Stihl Chainsaw	MS311-506272759	\$ 549.99
D2-330.09	Stihl Chainsaw	MS311-506272731	\$ 549.99
D2-330.12	Stihl Chainsaw	531699103	\$ 500.00
D2-443.04	Motorola Radio	869FCA0411	\$ 520.00
D2-443.05	Motorola Radio	778FQG8835	Unknown
D2-443.08	Motorola Radio 40 Watt	869FBG4357	\$ 560.00
D2-443.09	Motorola 45 Watt Mobile Radio	922TFC7879	\$ 510.00
D2-443.10	Motorola 45 Watt Mobile Radio	922TFC7912	\$ 510.00
D2-613.01	Trash Pump 3" 9HP (Teal)	3P655F	\$ 1,671.00

Appendix 2

COUNTY OFFICER TURNOVER STATUTORY REPORT
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Appendix 2

Items were located but were not listed on the fixed asset inventory.

Description	Identification Number	Cost
ICOM Radio	5150712	Unknown
ICOM Radio	5150716	Unknown
ICOM Radio	5150742	Unknown
ICOM Radio	5158461	Unknown
ICOM Radio	5165323	Unknown
ICOM Radio	5170772	Unknown
ICOM Radio	Inaccessible	Unknown
ICOM Radio	Inaccessible	Unknown
Motorola Radio	12HLCBK01597	Unknown
Motorola Radio	159TXJD382	Unknown
Motorola Radio	751VL4045	Unknown
Motorola Radio	922TFC7879	Unknown
Motorola Radio	Inaccessible	Unknown
Motorola Radio	Inaccessible	Unknown
Maxon Radio	409TY3530	Unknown
Kenwood Radio	Inaccessible	Unknown
Relm Radio	Inaccessible	Unknown
Relm Radio	B053700292	Unknown
Tiger Mower	N0803-08073	Unknown
Power Torque Transmission Jack	Inaccessible	Unknown
100 Gal. Fuel Tank on Truck	RC0092MI0019	Unknown
Backhoe Bucket	5721366C	Unknown
Cube Storage Container	GAZU03	Unknown
All-Power Generator	200110280159	Unknown
Stihl Chainsaw M5194T	538684270	Unknown
Stihl Chainsaw M5251	519911040	Unknown

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Description	Identification Number	Cost
Stihl Chainsaw M5170	527-52608	Unknown
Stihl HT109	270032599	Unknown
Craftsman Generator	6115L972468	Unknown
Briggs & Stratton Generator	9912085042	Unknown
Husqvarna Chainsaw 455	Inaccessible	Unknown
Stihl Polesaw HT133	511115281	Unknown
Oil Tank	D-05-0164	Unknown
Stihl Chainsaw MS251	Inaccessible	Unknown
Stihl Chainsaw MS311	Inaccessible	Unknown
Stihl Chainsaw MS311	5062727	Unknown
Generator	P642664-140	Unknown
Stihl Chainsaw	533696824	Unknown
Generac Generator 3500XL	1310121	Unknown
Diesel Tank	Inaccessible	Unknown
Fuel Tank	Inaccessible	Unknown

Appendix 3

COUNTY OFFICER TURNOVER STATUTORY REPORT
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Appendix 3

Items were located but not listed on consumable inventory.

Consumable Item Description	Quantity Verified
Dump Truck Tires	29
22.5" Tires	10
24.5" Tires	10
Tractor Tires	9
Backhoe Tires	7
Truck Tires	4
Grader Tires	2
5/8" Chip Material	200 Tons
Reclaimed Asphalt	60 Tons
2" Grizzly Rock	45 Tons
Road Salt	40 Tons
Crusher Run	40 Tons
Cold Patch	2 Tons
5'X30' Culverts	1
5'X10' Culverts	2
5'X5' Culverts	2
36"X30' Culverts	1
15"X30' Culverts	1
15"X12' Culverts	1
Used Guardrails	45
Used I-Beams (various lengths)	30
Large-Hole Grader Blades	3
Small-Hole Grader Blades	6



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