



LOGAN COUNTY
DISTRICT 2 TURNOVER

Statutory Report

March 1, 2023

Cindy Byrd, CPA
State Auditor & Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
KODY ELLIS
LOGAN COUNTY COMMISSIONER
DISTRICT 2
MARCH 1, 2023**

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 Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



June 30, 2023

BOARD OF COUNTY COMMISSIONERS
LOGAN COUNTY COURTHOUSE
GUTHRIE, OKLAHOMA 73044

Transmitted herewith is the Logan County Officer Turnover Statutory Report for March 1, 2023. 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



Kody Ellis
Logan County Commissioner, District 2
Logan County Courthouse
Guthrie, Oklahoma 73044

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for March 1, 2023:

- 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.

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

April 26, 2023

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2023-001 - Lack of Internal Controls and Noncompliance Over Consumable Inventory

Condition: During our review of the District 2 County Commissioner's consumable inventory, the following weakness was noted:

- An accurate consumable inventories list has not been maintained.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure compliance with state statutes by maintaining an accurate consumable inventories list.

Effect of Condition: These conditions resulted in noncompliance with state statutes. When consumable inventories are not monitored on a regular basis, opportunities for misuse or theft of items are more likely to occur.

Recommendation: The Oklahoma State Auditor and Inspector's Office (OSAI) recommends management design, implement and maintain a consumable item record for all consumable inventories in compliance with state statutes.

Management Response:

Chairman of the Board of County Commissioners: While this is not my district, I have spoken with staff at Logan County District 2 about the importance of accurate reporting when items are removed. Staff has been advised to remind employees when using items such as bridge boards to report use to office for recording.

After speaking with staff, we believe that it is possible that the variance in value of rock is due to a change in the cost of rock as tracked by the inventory software system.

Once elected, we will communicate to the new commissioner the importance of inventory and maintaining accurate counts.

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 quasi-governmental entities.

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The GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV 2.24 states in part:

Safeguarding of Assets

A subset of the three categories of objectives is the 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.

GAO Standards – Principle 6 – Define Objectives and Risk Tolerances – 6.05 states:

Definitions of Objectives

Management considers external requirements and internal expectations when defining objectives to enable the design of internal control. Legislators, regulators, and standard-setting bodies set external requirements by establishing the laws, regulations, and standards with which the entity is required to comply. Management identifies, understands, and incorporates these requirements into the entity's objectives. Management sets internal expectations and requirements through the established standards of conduct, oversight structure, organizational structure, and expectations of competence as part of the control environment.

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 requires the receiving officer to maintain a record of all items received, disbursed, stored, and consumed by the department.

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Cindy Byrd, CPA | State Auditor & Inspector

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