


STATUTORY REPORT

# MAJOR COUNTY COMMISSIONER DISTRICT 2 TURNOVER

December 20, 2016



*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  
KELLY WAHL  
MAJOR COUNTY COMMISSIONER  
DISTRICT 2  
DECEMBER 20, 2016**

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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](http://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.



# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

February 27, 2016

BOARD OF COUNTY COMMISSIONERS  
MAJOR COUNTY COURTHOUSE  
FAIRVIEW, OKLAHOMA 73737

Transmitted herewith is the Major County Officer Turnover Statutory Report for December 20, 2016. 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". The signature is written in a cursive, flowing style.

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



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Kelly Wahl  
Major County Commissioner, District 2  
Major County Courthouse  
Fairview, Oklahoma 73737

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for December 20, 2016:

- 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.
- 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 finding 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 18, 2017

**COUNTY OFFICER TURNOVER STATUTORY REPORT  
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MAJOR COUNTY COMMISSIONER DISTRICT 2  
DECEMBER 20, 2016**

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2017-01 – Inadequate Internal Controls and Noncompliance Over Fixed Assets Inventory Records**

**Condition:** During our review of 100% of District 2 Commissioner Fixed Assets, we noted the following:

- An updated inventory list could not be located for District 2 in the County Clerk’s office.
- Two (2) items (D-443-201 & D-443-202) were located and had numbers affixed but did not have inventory cards.
- Three (3) items (D-443-201, D-443-202 & D-355-202) were located and had numbers affixed but were not listed on the Commissioner’s Inventory list.
- Two (2) items (D-307-233 & D-417-201) did not have inventory numbers affixed to them.
- One (1) item (D-610-216) was listed on two separate inventory cards.
- One (1) item could not be located.
  - Motorola VHF (D-601-230)

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure inventory is tracked and reported in accordance with state statute.

**Effect of Condition:** These conditions resulted in noncompliance with state statutes and could result in misappropriation of assets and loss of county equipment.

**Recommendation:** The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends management review inventory records and periodically performs inventory counts to determine all equipment items listed on the inventory records are properly accounted for. OSAI also recommends management present an annual current inventory listing to the Board of County Commissioners to be filed with the County Clerk’s Office.

OSAI also recommends management implement policies and procedures to ensure compliance with 19 O.S. § 421.1 regarding the disposition of County property with an original cost exceeding \$500.

**Management Response:**

**Current District 2 Commissioner:** There is now a current inventory list in the Clerk’s Office.

<b>ID Number</b>	<b>Resolution</b>
443-201	Item will be disposed of at next Commissioner’s meeting.
443-202	Item will be disposed of at next Commissioner’s meeting.
355-202	Item has been added to the current inventory list.
307-223	Item has been numbered.
417-201	Item has been numbered.

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ID Number	Resolution
601-230	Item located.
601-216	Duplicate inventory card has been destroyed.

**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 the custody of the county or of any office, board, department, commission or any or either thereof, and the disposition thereof whether sold, exchanged, leased or let where authorized by statute, junked, strayed, or stolen, and annually thereafter, or oftener in event of death, resignation, or removal of an elective officer with a term, to verify or cause to be verified by count and report of the same as of the end of a term of office.”

Title 19 O.S. § 421 states “From and after the effective date of this act, each board of county commissioners of the several counties in the state shall within thirty (30) days after the disposition of any tools, apparatus, machinery, and equipment belonging to the county or leased or otherwise let to it or any department thereof, the original cost of which is more than Five Hundred Dollars (\$500.00), whether sold, exchanged, junked, leased or let where authorized by statute, shall enter, or cause to be entered, in the minutes of the proceedings of the board the fact of such disposition, including complete description of item, serial number, the date property was acquired, the name and address of the person or firm from whom property was acquired, the cost price at time of acquisition or contract price if acquired under lease-rental agreement, the date of disposition, the name and address of the person or firm to whom property transferred, the price received therefor and the reason for disposition.”



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