



MAYES COUNTY COMMISSIONER DISTRICT 1 TURNOVER

Statutory Report

December 19, 2022

Cindy Byrd, CPA
State Auditor & Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
MATT SWIFT
MAYES COUNTY COMMISSIONER
DISTRICT 1
DECEMBER 19, 2022**

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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

March 16, 2023

BOARD OF COUNTY COMMISSIONERS
MAYES COUNTY COURTHOUSE
PRYOR, OKLAHOMA 74361

Transmitted herewith is the Mayes County Officer Turnover Statutory Report for December 19, 2022. 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



Matt Swift
Mayes County Commissioner, District 1
Mayes County Courthouse
Pryor, Oklahoma 74361

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for December 19, 2022:

- 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.

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

March 8, 2023

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SCHEDULE OF FINDINGS AND RESPONSES

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

Condition: The observation and test of consumable inventories for District 1 indicated the following internal control weaknesses and noncompliance:

- Fuel logs are being maintained for the main unleaded and diesel tanks in the shop yard; however, fuel reconciliations are not being performed regularly.
- Fuel delivery to and usage from portable fuel tanks are not monitored.
 - Tanks are not equipped with gauges to show current fuel level.
 - Fuel logs that reflect input and output are not maintained.
- While reconciling consumable items on hand to the District’s consumable records, the following was noted:
 - 14 items in which amounts on hand varied from consumable records that resulted in a total cost variance of \$977.
 - 5 items were not recorded on the District’s consumable records.

Item	Average Price	Quantity per OSAI	Total Cost
Sand and Salt Mixture	\$18.50 per ton for sand \$ 90.50 per ton for salt	45 tons	\$17,000
Concrete Joints – 36"	Donation/Undetermined	4 units	Not Available
HP Storm pipe – 10’X 12’	\$210 a foot	2 – 12 ft units	\$10,080
12’ Guard Rail	Donation/Undetermined	17 – 12 ft units	Not Available
24’ Guard Rail	Donation/Undetermined	500 – 24ft units	Not Available

Additionally, the District had a second list of signs that was a holdover from a previous administration. This list indicated 200 more signs in stock than could be located. It was determined, from conversations with staff, that this additional list of signs was not updated when signs were put into service, when additional signs were purchased, or when signs were taken out of service and placed back into inventory.

Cause of Condition: Policies and procedures have not been designed and implemented with regard to accounting for and safeguarding of consumable items.

Effect of Condition: These conditions resulted in noncompliance with state statute. When consumable inventory items are not adequately accounted for and safeguarded, opportunities for loss, misappropriation, and undetected errors may be more likely to occur.

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Recommendation: The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends management design and implement internal controls to ensure compliance with 19 O.S. § 1504, which would provide assurance that the consumable items of the County are protected from loss and misuse. These controls would include:

- Maintaining consumable inventory cards or records denoting amounts purchased, used, and balances of actual consumables on hand.
- Maintaining a fuel log with all pertinent information including a current balance.
- Reconciling fuel log periodically to fuel on hand and explaining any variance or adjustments.

OSAI also recommends performing and documenting a monthly consumable inventory count. Counts should be initialed and dated by the employee performing the physical count and retained to show the design and implementation of internal controls by the County Commissioners. Additionally, the key functions of receiving duties and consumable inventory control duties should be performed by separate employees in order to effectively segregate those duties.

Management Response:

Former District 1 County Commissioner: Management chose not to respond.

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

GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.23 states in part:

Objectives of an Entity – Compliance Objectives

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

Additionally, GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.24 states in part:

Objectives of an Entity - 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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Furthermore, 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.”

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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