

STATUTORY REPORT

MURRAY COUNTY COMMISSIONER DISTRICT 2 TURNOVER

January 8, 2013



*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
JIM BRITT
MURRAY COUNTY COMMISSIONER
DISTRICT 2
JANUARY 8, 2013**

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Oklahoma State Auditor & Inspector

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January 22, 2013

BOARD OF COUNTY COMMISSIONERS
MURRAY COUNTY COURTHOUSE
SULPHUR, OKLAHOMA 73086

Transmitted herewith is the Murray County Officer Turnover Statutory Report for January 8, 2013. 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".

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



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Jim Britt
Murray County Commissioner, District 2
Murray County Courthouse
Sulphur, Oklahoma 73086

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for January 8, 2013:

- 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.

A handwritten signature in blue ink, appearing to read "Gary A. Jones".

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

January 8, 2013

COUNTY OFFICER TURNOVER STATUTORY REPORT
JIM BRITT
MURRAY COUNTY COMMISSIONER
DISTRICT 2
JANUARY 8, 2013

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2013–1—Incomplete Fixed Asset Inventory

Condition: During our review of fixed asset items at District 2, OSAI noted the following exceptions:

- Many inventory items were not labeled with the County ID number. Although many items were missing the County ID number, all items on the inventory listing were visually verified by serial number and/or other information provided.
- The following items were located, but could not be traced to inventory listing. It was undeterminable whether these items should be listed on inventory (below the \$500 threshold, or junked):

Description	County ID #	Serial Number
Rhino, SE6, 6' Brush Hog	None	14733
Ingersoll Rand, Air Compressor	None	7838446335-5
Post Hole Digger, Earthquake	None	39662

- One Tandem Dump/Equipment Trailer was located with County ID number D2-348-2. This ID is duplicated, appearing on more than one piece of equipment, but listed only once on inventory.

Cause of Condition: Policies and procedures over equipment inventories have not been designed and implemented to ensure proper tracking and labeling.

Effect of Condition: By not maintaining accurate fixed asset records, the County increases the risk of misappropriation of County assets.

Recommendation: OSAI recommends that management implement controls to comply with 19 O.S. § 178.1. We also recommend that the District 2 County Commissioner perform an annual inventory count and retain documentation to verify the physical inventory counts are performed.

Management Response:

Incoming County Commissioner: This is a problem that I inherited when I took office. I will ensure that fixed asset records are corrected and that an annual physical inventory is conducted. We are in the process of affixing County ID numbers and marking all equipment with “Property of Murray County.”

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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—Incomplete Consumable Inventory

Condition: During our review of consumable inventory items at District 2, OSAI noted the following exceptions:

Consumable Item	Quantity per County Records	Actually Verified	Variance
18" x 24" Tin Horn	54 feet	0	54 feet
36" x 30" tin Horn	10.5 feet	0	10.5 feet

Cause of Condition: Policies and procedures over consumable inventories have not been designed and implemented to ensure proper tracking and labeling.

Effect of Condition: By not maintaining accurate consumable records, the County increases the risk of misappropriation of consumable inventory.

Recommendation OSAI recommends management take steps to ensure consumable items are adequately secured and records are accurately maintained and reconciled to the actual count on hand.

Management Response:

Incoming County Commissioner: This is a problem that I inherited when I took office. I will ensure that records are corrected and that periodic inventories are performed.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of consumable assets, consumable item's records should be accurately maintained, updated in a timely manner, and reconciled to physical counts. Title 19 O.S. § 1502 prescribes the procedures to be used to account for supplies and materials used in the construction and maintenance of roads and bridges.



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