



NOBLE COUNTY COMMISSIONER DISTRICT 3 TURNOVER

Statutory Audit

November 15, 2021

Cindy Byrd, CPA
State Auditor & Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
LANCE WEST
NOBLE COUNTY COMMISSIONER
DISTRICT 3
NOVEMBER 15, 2021**

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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

January 24, 2022

BOARD OF COUNTY COMMISSIONERS
NOBLE COUNTY COURTHOUSE
PERRY, OKLAHOMA 73077

Transmitted herewith is the Noble County Officer Turnover Statutory Report for November 15, 2021. 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



Lance West
Noble County Commissioner, District 3
Noble County Courthouse
Perry, Oklahoma 73077

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for November 15, 2021:

- 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

November 16, 2021



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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2022-001 – Lack of Internal Controls and Noncompliance Over Fixed Assets and Consumable Inventories

Condition: During our review and test of one hundred fifty (150) items of the District 3 County Commissioner’s fixed assets, the following weaknesses were noted:

- One (1) item could not be visually verified.

ID	YEAR	MAKE	SERIAL NUMBER	AMOUNT
D3-221-0006	2009	Computer	2UA904191W	\$ 984.28

- Two (2) items were listed on inventory but were marked as wrecked and/or traded. No resolution or approval by the Board of County Commissioners to surplus the items were provided.

ID	YEAR	MAKE	SERIAL NUMBER	AMOUNT
D3-302-0101	2007	Dump Truck	2FZHAWDC47AX36044	\$ 73,364.00
D3-303-0020	2004	Crawler Dozer	927293	\$158,675.00

- Two (2) items were not properly marked with a county identification number.

ID	YEAR	MAKE	SERIAL NUMBER	AMOUNT
D3-301-0069	2009	Chevy 1/2 Ton	36CEK133596136077	\$ -
D3-442-0002	-	Airless Paint Gun	-	\$624.00

- Four (4) items did not have the correct serial number recorded on inventory records.

ID	YEAR	MAKE	SERIAL NUMBER	AMOUNT
D3-221-0007	-	Computer	2UA33923L9	\$1,284.00
D3-221-0008	-	Computer	2UA33923MB	\$1,253.99
D3-302-0097	1993	Freightliner	1FUY6LVB0PP414852	\$8,500.00
D3-410-0011	-	22-35 Ton Jack	1104000533	\$1,047.70

- Four (4) items were located at the barn but were not on the inventory list.

ID	MAKE	SERIAL NUMBER
D3-441-0012	Rotary Cutter	1P00R15ECKC000247
-	Diamond Mower	12059
-	Napa Air Compressor	327730
D3-441-0011	Rotary Cutter	-

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- Twelve (12) items were not marked with “Property of Noble County” on both sides of the vehicle.

ID	YEAR	MAKE	SERIAL NUMBER	AMOUNT
D3-301-0063	2006	1/2 Ton Pickup	xxxx50510	\$ 14,132.00
D3-301-0067	2012	Ford F150	1FTEX1EM7BFC66439	\$ 22,938.00
D3-301-0068	2002	1500 Dodge Ram	3D7HU18Z92G176002	\$ 22,938.00
D3-302-0105	2021	Mack Truck	1M1PN4GY5MM007687	\$144,924.22
D3-303-0021	-	Crawler Dozer	1T0750KXLHF313834	\$ -
D3-304-0016	2013	7130 Tractor	1L07130HECH724112	\$ 81,975.60
D3-348-0014	2002	35 Ton Equip Trailer	245125	\$ 19,300.00
D3-348-0091	2010	Bottom Dump Trailer	XXXX00021	\$ 26,599.00
D3-348-0094	-	Flat Bed Trailer	17XFF1827C1024684	\$ 2,995.00
D3-348-0095	2014	Belly Dump	56EA53K70EA000200	\$ 21,000.00
D3-399-0001	-	Forklift	A119D02567Y	\$ 6,300.00
D3-301-0063	2006	1/2 Ton Pickup	xxxx50510	\$ 14,132.00

During our review of the District 3 County Commissioner’s consumable inventories, it was noted an accurate consumable inventories list had not been prepared or maintained by the County Commissioner other than fuel. While a record of fuel is maintained, it was noted that the gasoline tank had a variance of 71 gallons, or 17.57%.

Cause of Condition: Policies and procedures have not been adequately designed and implemented by county offices/departments to ensure the accurate reporting of fixed assets, and consumable inventory items, as well as adequate procedures to ensure equipment is properly identified in accordance with state statutes.

Effect of Condition: These conditions resulted in noncompliance with state statutes. Opportunities for loss and misappropriation of county assets may be more likely to occur when the County does not have procedures in place to account for fixed assets. Additionally, when consumable inventory items are not adequately documented, the opportunity for misappropriation and undetected errors could occur.

Recommendation: The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends management implement internal controls to ensure compliance with state statutes. These internal controls would include maintaining an accurate inventory report and properly marking equipment with a County identification number and Property of Noble County. 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.

Management Response: 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

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best practices and may be applied as a framework for an internal control system for state, local, and quasi-governmental 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.

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...”

Title 19 O.S. § 1502(A) (1) 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) 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.

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