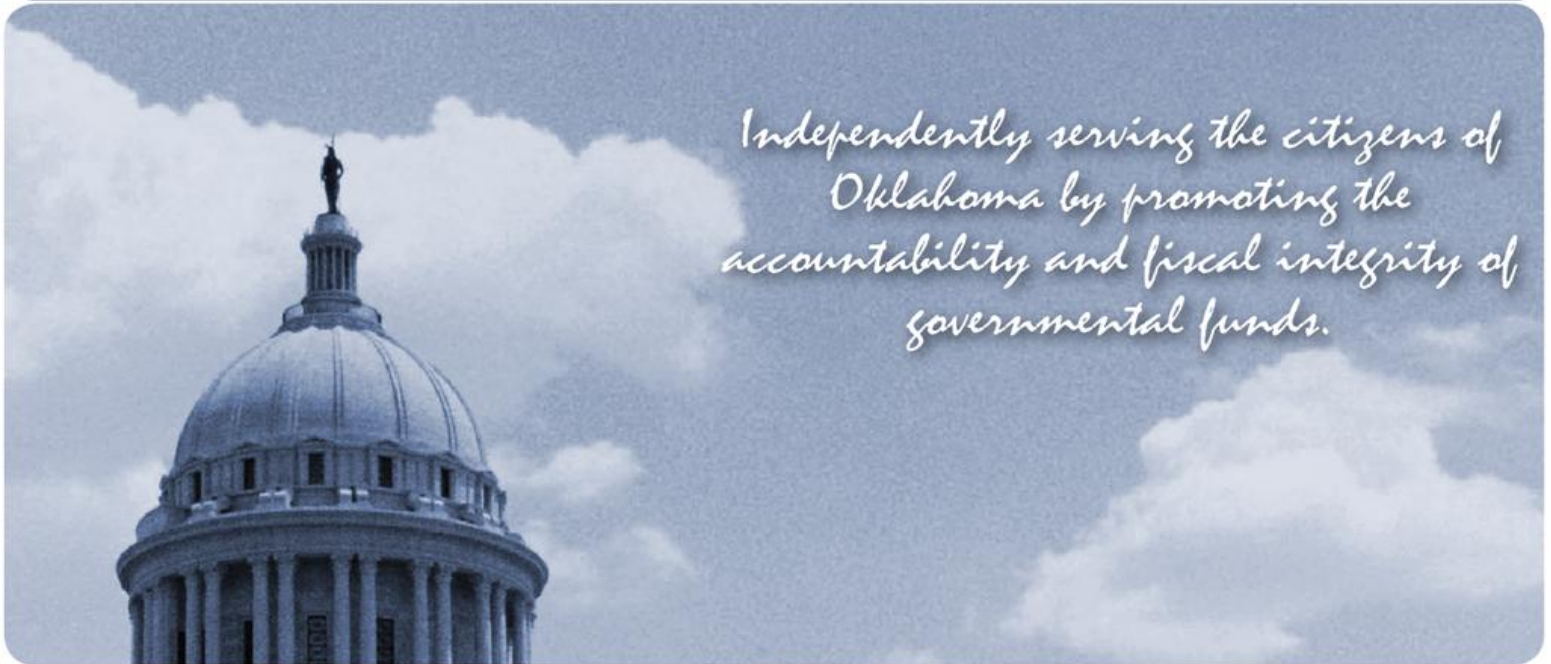


STATUTORY REPORT

NOWATA COUNTY CLERK TURNOVER

November 7, 2014



*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
CAROL ROWE
NOWATA COUNTY CLERK
NOVEMBER 7, 2014**

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Oklahoma State Auditor & Inspector

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December 23, 2014

BOARD OF COUNTY COMMISSIONERS
NOWATA COUNTY COURTHOUSE
NOWATA, OKLAHOMA 74048

Transmitted herewith is the Nowata County Officer Turnover Statutory Report for November 7, 2014. 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, appearing to read "Gary A. Jones".

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



Oklahoma State Auditor & Inspector

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Carol Rowe
Nowata County Clerk
Nowata County Courthouse
Nowata, Oklahoma 74048

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for November, 7, 2014:

- 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 the Office is not exceeding the maximum amount of cash authorized for their change needs per 19 O.S. § 682.
- Verify that a monthly report of the Office is on file with the County Clerk per 19 O.S. § 684.
- Verify that the Officers' depository account balances reconcile with the County Treasurer's records and that undeposited cash reconciles to receipts.

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". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

November 20, 2014

COUNTY OFFICER TURNOVER STATUTORY REPORT
CAROL ROWE
NOWATA COUNTY CLERK
NOVEMBER 7, 2014

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2014-1 – Fixed Assets

Condition: During our review of inventory in the County Clerk’s office, we noted the following exceptions:

Items on inventory that did not have original cost noted and could not be located.

Item Number	Item Description	Cost
621.001	Cannon Scanner	No Price
621.002	Scanpartner	No Price

Items in the office that do not appear on the inventory list and did not have documentation as to original cost.

Item/Serial Number	Item Description	Cost
220.029	HP Computer Tower	Unknown
220.02	HP Computer Tower	Unknown
MXL7270C10	HP Computer Tower	Unknown

Item on County Clerk’s inventory that was maintained and used by the Election Board.

Item/Serial Number	Item Description	Cost
232.001	Thermal Binder	\$575.00

Cause of Condition: Procedures have not been designed to perform periodic inventories of fixed assets on hand to inventory records and procedures have not been implemented regarding the accurate identification and reporting of fixed assets, and surplus of fixed assets inventory items prior to the disposal.

Effect of Condition: These conditions resulted in noncompliance with state statute. Failure to maintain accurate identification and records of fixed assets, failure to perform a periodic physical inventory of assets, and failure to surplus items prior to the disposing of items could result in inaccurate records, unauthorized use of assets, or misappropriation of assets.

Recommendation: The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends the County implement internal control procedures to ensure the periodic physical verification of fixed assets to inventory records. Additionally, inventory records should be maintained for all fixed assets items in an accurate manner. OSAI also recommends inventory items only be disposed of upon being declared surplus by the Board of County Commissioners.

**COUNTY OFFICER TURNOVER STATUTORY REPORT
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Further, OSAI recommends the County comply with Title 19 O.S. § 178.1 that provides guidance with regard to officials maintaining an inventory of fixed assets and taking an inventory of those fixed assets including initials and date of the employee conducting the verification.

Management Response:

Outgoing County Clerk: At the time of my appointment, the outgoing County Clerk and I did a very rapid inventory check. I feel like the items that “could not be located” had in the past been declared surplus and documentation of that had not been located at the time of this exit audit. The towers that did not appear on the inventory list, I am sure had been declared surplus but had not been removed from the office. At the time of my appointment, the previous Clerk informed me that the binder was in the office of the Election Board.

Incoming County Clerk: The Thermal Binder is back in the County Clerk's possession. We are going to find and report the cost on the other items. We have a form to surplus, and the Resolutions for disposing of surplus items. We are going to start running inventory every six months.

Criteria: An important aspect of internal controls is the safeguarding of assets. Internal controls constitute a process affected by an entity's governing body, management and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of fixed assets, and safeguarding items from loss, damage, or misappropriation.

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.”



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