

STATUTORY REPORT

# OKLAHOMA COUNTY CLERK TURNOVER

December 30, 2016



Oklahoma State  
Auditor & Inspector  
Gary A. Jones, CPA, CFE

**COUNTY OFFICER TURNOVER STATUTORY REPORT  
CAROLYNN CAUDILL  
OKLAHOMA COUNTY CLERK  
DECEMBER 30, 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 3, 2017

BOARD OF COUNTY COMMISSIONERS  
OKLAHOMA COUNTY COURTHOUSE  
OKLAHOMA CITY, OKLAHOMA 73102

Transmitted herewith is the Oklahoma County Clerk Officer Turnover Statutory Report for December 30, 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".

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



# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405-521-3495 • Fax: 405-521-3426

Carolynn Caudill  
Oklahoma County Clerk  
Oklahoma County Courthouse  
Oklahoma City, Oklahoma 73102

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for December 30, 2016:

- Verify that equipment items on hand agree with inventory records maintained 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 a monthly report of the Office is on file with the County Clerk per 19 O.S. § 684.
- Verify that the Office is not exceeding the maximum amount of cash authorized for their change needs per 19 O.S. § 682.
- 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 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.

A handwritten signature in blue ink that reads "Gary A. Jones".

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

January 12, 2017

**COUNTY OFFICER TURNOVER STATUTORY REPORT  
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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2016-01 – Inadequate Internal Controls and Noncompliance Over Fixed Assets Inventory**

**Condition:** During our review of fixed assets inventory, the following exceptions were noted:

- Of the 786 items on the inventory list, we were unable to locate 76 items with an original cost totaling \$91,742.46.
- 8 of the 786 items on the inventory list had the incorrect quantities recorded.
- 4 items were found that were not recorded on the inventory report.

Of the 76 items not located; the following items were lost, stolen, or disposed without any documentation:

- 1 Asus TF201 Transformer Prime Tablet was identified as stolen.
- 1 Macbook Pro 15” Laptop was identified as lost.
- 1 Apple IPAD 2 4 GB were identified as lost.
- 6 telephone equipment items were identified as disposed.

**Cause of Condition:** Policies and procedures have not been designed and implemented with regard to internal controls over the safeguarding of fixed assets and maintaining an accurate inventory listing.

**Effect of Condition:** This condition resulted in noncompliance with state statute. Failure to maintain accurate records and perform a periodic physical inventory of fixed assets could result in inaccurate records, unauthorized use of fixed assets, or misappropriation of fixed assets.

**Recommendation:** The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends that management design and implement internal controls to comply with 19 O.S. § 178.1 which includes performing a review and reconciliation of fixed assets inventory on hand to fixed assets records on an annual basis and 19 O.S. § 421 which includes proper disposal of equipment. OSAI also recommends policies and procedures be designed and implemented to ensure lost or stolen items are reported to the proper authorities.

**Management Response:**

**Outgoing County Clerk:** The County Clerk is ultimately responsible for the inventory and hires staff to do the day-to-day work. I believed policies and procedures were being followed and the office inventory was current and up-to-date. However, due to the heavy workload the past two years implementing a new county-wide financial/payroll system, the inventory unfortunately took a back seat. Our office the past couple of years was also involved in implementing recommendations from the County’s space utilization study. While remodeling parts of our office, some inventory was temporarily moved to unsecure areas of the courthouse and it is possible some items were erroneously mixed with assets from other offices.

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After reviewing the inventory list, there are many items that were disposed of but the paperwork did not go across the Board of County Commissioners meeting. There were many other items that were originally priced below the \$500 threshold for items to be placed on the inventory. Those items did not have to be listed on the inventory and should have been removed. One of the items specifically listed by the auditors as being stolen should have had a police report filed and then taken off the inventory. Two other items listed as lost; the IPAD and IMAC were signed out by a former employee and never returned. Effort should be made to determine the status of that equipment and either returned to the county or taken off the inventory.

It is important to note that the 76 items identified by the auditors were not new. The depreciated value of all the items listed is less than \$600. The new County Clerk will work with the Board of County Commissioners to update the County Clerk's inventory records.

**Incoming County Clerk:** The Oklahoma County Clerk's office has put internal procedures in place to ensure that the fixed assets inventory is properly maintained and accounted. The new procedures are as follows:

- We will follow established procedures to properly dispose of the missing fixed assets identified in the state auditor's exit audit.
- We will take the proper steps to fix the incorrect quantities recorded in the fixed asset system.
- A physical count of the fixed asset inventory will be performed twice a year rather than once a year.
- The first count and reconciliation of the County Clerk's fixed asset inventory will be performed by the County Clerk Inventory Officer on June 30th every year as required by statute.
- The second count will be performed by a different County Clerk staff member at the end of December each year. This audit will be performed by this person to ensure that all items purchased that meet the threshold are included on the fixed asset inventory report and all items disposed or transferred have been approved by the Board of County Commissioners.
- A signed copy of each of these fixed asset inventory reports will be provided to the County Clerk after each count and filed.
- All fixed assets will be tagged with barcode labels that will integrate with the Fixed Asset module.
- All laptops and tablets and personal devices owned by the county will be checked out by the County Clerk IT department. The employee will sign for each item and one copy of that form will be sent to the County Clerk Inventory Officer and one to the County Clerk HR Director to be placed in the employee's personnel file. We have the ability now to attach "checked out" equipment, to the employee payroll I.D. via the Fixed Asset system.
- The County Clerk's office will take appropriate steps to report lost or stolen items to the proper authorities.

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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...annually thereafter, or oftener...”

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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