

STATUTORY REPORT

OSAGE COUNTY TREASURER TURNOVER

June 28, 2013



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

**COUNTY OFFICER TURNOVER STATUTORY REPORT
JOYCE HATHCOAT
OSAGE COUNTY TREASURER
JUNE 28, 2013**

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) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to 74 O.S. § 3105.B.



Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

August 12, 2013

BOARD OF COUNTY COMMISSIONERS
OSAGE COUNTY COURTHOUSE
PAWHUSKA, OKLAHOMA 74056

Transmitted herewith is the Osage County Officer Turnover Statutory Report for June 28, 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, appearing to read "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

Ms. Joyce Hathcoat
Osage County Treasurer
Osage County Courthouse
Pawhuska, Oklahoma 74056

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for June 28, 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 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 County Treasurer's account balances reconcile with bank records, and all funds are properly covered by pledged collateral per 62 O.S. § 511.

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 extending to the right.

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

July 25, 2013

**COUNTY OFFICER TURNOVER STATUTORY REPORT
JOYCE HATHCOAT
OSAGE COUNTY TREASURER
JUNE 28, 2013**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2013-1 – Fixed Assets Inventory

Condition: The County Treasurer does not have procedures in place to ensure that the fixed assets inventory listing is maintained.

- A current inventory list was not on file with the County Clerk.
- Of the 129 fixed assets inventory items tested, 13 items could not be located on the date of our verification. These items total to the amount of \$3,054.93.
- Of the 129 inventory items tested, 42 items were not properly marked with a county identification number.

Cause of Condition: Procedures have not been designed and implemented to ensure all fixed assets are recorded on the inventory listing, ensure fixed assets inventory is adequately marked with county identification numbers, and to ensure fixed assets inventory is safeguarded against loss and/or theft.

Effect of Condition: This condition could result in inventory items not being accurately accounted for and the County's assets may not be safeguarded.

Recommendation: OSAI recommends the County Treasurer implement procedures to properly account for all fixed assets on the inventory listing and mark all equipment with identification numbers in accordance with 19 O.S. § 178.1. We further recommend that the County Treasurer implement procedures to track all assets and safeguard the County's assets against loss and/or theft.

Management Response: We will make sure that an updated inventory list is filed in the County Clerk's office. We have also re-marked the items that had missing tags. When we moved to this office in 2005, I feel that some of the stickers fell off and were never replaced. I will do a resolution to the County Commissioners to remove some of the items from the inventory that are not necessary to track (such as small tables and cabinets). We also need to surplus items that are no longer being used in this office (by resolution). We will check our inventory periodically and make sure we are in compliance.

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 thereof and of like tools, apparatus, machinery and equipment purchased, leased or otherwise coming into the custody of the county or of

**COUNTY OFFICER TURNOVER STATUTORY REPORT
JOYCE HATHCOAT
OSAGE COUNTY TREASURER
JUNE 28, 2013**

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.”

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, and safeguard fixed assets inventory items from loss, damage, or misappropriation.



OFFICE OF THE STATE AUDITOR & INSPECTOR
2300 N. LINCOLN BOULEVARD, ROOM 100
OKLAHOMA CITY, OK 73105-4896

WWW.SAI.OK.GOV