



OSAGE COUNTY FAIRGROUNDS TURNOVER

Statutory Report

December 29, 2022

Cindy Byrd, CPA
State Auditor & Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
OSAGE COUNTY FAIRGROUNDS
OSAGE COUNTY COMMISSIONERS
DECEMBER 29, 2022**

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 Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



OKLAHOMA
Office of the State Auditor & Inspector

Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov

February 23, 2023

BOARD OF COUNTY COMMISSIONERS
OSAGE COUNTY COURTHOUSE
PAWHUSKA, OKLAHOMA 74056

Transmitted herewith is the Osage County Fairgrounds Turnover Statutory Report for December 29, 2022. 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



Osage County Commissioners
Osage County Courthouse
Pawhuska, Oklahoma 74056

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for December 29, 2022:

- 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.

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.

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

February 14, 2023

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DECEMBER 29, 2022**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2022-01 – Lack of Internal Controls and Noncompliance Over Fixed Assets Inventory

Condition: In the observation of records and the visual verification of fixed assets, the following items were unable to be located:

<u>Inventory Number</u>	<u>Description of Inventory Item</u>
FG-210-0106	Ice Machine W/B Maker/SD0322A
FG-430-0103	Echo Weed Eater SRM260SBP
FG-441-0122	JD Brush Hog MX6
FG-604-0102	Telex Wireless Receiver
FG-610-0104	Nemco Popcorn Machine 6440
FG-610-0113	Crosley Refrigerator

Further, in the observation of records and the visual verification of fixed assets, there were discrepancies noted between the quantities reported and the quantities verified for the following:

<u>Fixed Asset Items</u>	<u>Quantity Reported</u>	<u>Quantity Verified</u>	<u>Variance</u>
FG-611-102 OCI Arena Panels 2009:			
• 3-Way Posts	222	225	3
• 6x8 Panels	80	75	(5)
• 6x10 Panels	135	116	(19)
FG-611-103 OCI Panels 2010:			
• Panels	6	5	(1)
Memo 2 OCI-Hog-Sheep Panels:			
• 10x5 Bulk Panels	54	53	(1)

Cause of Condition: Policies and procedures have not been adequately designed and implemented to ensure the accurate reporting of fixed assets.

Effect of Condition: These conditions resulted in noncompliance with state statute. 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.

Recommendation: The Oklahoma State Auditor and Inspector’s Office (OSAI) recommends management implement internal controls to ensure compliance with state statute by maintaining inventory records.

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Management Response:

Chairman of the Board of County Commissioners: Osage County has hired a full-time employee to assist in maintaining the records for Osage County Fairgrounds. Monthly inspection of the fixed assets will be done to ensure there are no discrepancies or missing fixed assets.

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

The GAO Standards – Section 2 – Establishing an Effective Internal Control System - OV2.23 states in part:

Objectives of an Entity

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

Title 19 O.S. § 178.1 which requires the board of county commissioners in each county of this state to take or cause to be taken, an inventory of all working tools, apparatus, machinery and equipment.

O·K·L·A·H·O·M·A
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