



PAWNEE COUNTY COMMISSIONER DISTRICT 2 TURNOVER

Statutory Audit

January 4, 2021

Cindy Byrd, CPA
State Auditor & Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
JIM MCCORMICK
PAWNEE COUNTY COMMISSIONER
DISTRICT 2
JANUARY 4, 2021**

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Cindy Byrd, CPA | State Auditor & Inspector

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March 15, 2021

BOARD OF COUNTY COMMISSIONERS
PAWNEE COUNTY COURTHOUSE
PAWNEE, OKLAHOMA 74058

Transmitted herewith is the Pawnee County Officer Turnover Statutory Report for January 4, 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



Jim McCormick
Pawnee County Commissioner, District Two
Pawnee County Courthouse
Pawnee, Oklahoma 74058

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for January 4, 2021:

- Verify that equipment items on hand agree with inventory records maintained per 19 O.S. § 178.1.
- 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

January 12, 2021



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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2021-001 – Lack of Internal Controls and Noncompliance Over Consumable Inventories

Condition: Upon inquiry and observation of consumable inventories for District 2, we noted the following:

- The District does not maintain a consumable inventory list.
- While fuel usage is tracked daily, the amount of fuel is not reconciled to the amount on hand.

Cause of Condition: Policies and procedures have not been designed and implemented for the accounting for and safeguarding of consumable inventories.

Effect of Condition: These conditions resulted in noncompliance with state statute. When consumable inventories are not adequately safeguarded and accounted for, there is an opportunity for misappropriation and undetected errors.

Recommendation: The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends that the County design and implement policies and procedures to ensure compliance with 19 O.S. § 1502(B)(1), which would provide assurance that the consumable items of the County are protected from loss and misuse.

Management Response:

Outgoing District 2 County Commissioner: The outgoing County Commissioner agreed verbally to this finding but did not see a need to respond in writing.

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 – OV 2.24 states in part:

Safeguarding of Assets

A subset of the three categories of objectives is the 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.

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GAO Standards – Principle 6 – Define Objectives and Risk Tolerances – 6.05 states:

Definitions of Objectives

Management considers external requirements and internal expectations when defining objectives to enable the design of internal control. Legislators, regulators, and standard-setting bodies set external requirements by establishing the laws, regulations, and standards with which the entity is required to comply. Management identifies, understands, and incorporates these requirements into the entity’s objectives. Management sets internal expectations and requirements through the established standards of conduct, oversight structure, organizational structure, and expectations of competence as part of the control environment.

Title 19 O.S. § 1502 (B)(1) requires a prescribed uniform identification system for all supplies, materials, equipment and information technology and telecommunication goods of a county not used in the construction and maintenance of roads and bridges.

Finding 2021-002 – Expenditures Exceeded Amount Allowable for Outgoing Officer

Condition: While examining the fund balances for District 2, the following fund exceeded the limitations imposed by state statute:

Fund Name	Beginning Balance July 1, 2020	50 % of Beginning Balance	Balance January 4, 2021	Fund Over/(Under)
1313 Sales Tax-Roads/Bridges	\$31,939.33	\$15,969.67	\$7,934.63	(\$8,035.04)

Cause of Condition: Policies and procedures have not been designed and implemented with regard to the limitation of expenditures whenever a county officer holding an elective office will not immediately serve a succeeding term in the same office.

Effect of Condition: This condition resulted in noncompliance with state statute and could “void” any warrants issued in excess of the allocated amount set forth in Title 19 O.S. § 347 C.

Recommendation: OSAI recommends implementing policies and procedures to ensure the allocated amount set forth is not exceeded prior to an election.

Management Response:

Outgoing District 2 County Commissioner: The outgoing County Commissioner agreed verbally to this finding but did not see a need to respond in writing.

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Title 19 O.S. § 347 C states: “Whenever a county officer holding an elective office will not immediately serve a succeeding term in the same office, it shall be unlawful for the board of county commissioners, during the first six (6) months of the fiscal year in which said term of office expires, to approve claims for the operation of said office totaling in excess of one-half (1/2) the amount allocated for the operation of said office during said fiscal year, unless approval in writing is obtained from the county excise board, and any claim in excess thereof and any warrant issued pursuant thereto shall be null and void.”

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