

STATUTORY REPORT

PAYNE COUNTY COMMISSIONER DISTRICT 1 TURNOVER

May 16, 2012



*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
BILL DEERING
PAYNE COUNTY COMMISSIONER
DISTRICT 1
MAY 16, 2012**

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Oklahoma State Auditor & Inspector

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July 23, 2012

BOARD OF COUNTY COMMISSIONERS
PAYNE COUNTY COURTHOUSE
STILLWATER, OKLAHOMA 74074

Transmitted herewith is the Payne County Officer Turnover Statutory Report for May 16, 2012. 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". The signature is fluid and cursive, with a long horizontal stroke at the end.

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



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Bill Deering
Payne County Commissioner, District 1
Payne County Courthouse
Stillwater, Oklahoma 74074

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for May 16, 2012:

- 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 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 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.

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 that reads "Gary A. Jones". The signature is written in a cursive style with a long horizontal stroke at the end.

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

July 19, 2012

**COUNTY OFFICER TURNOVER STATUTORY REPORT
 BILL DEERING, PAYNE COUNTY COMMISSIONER
 DISTRICT 1
 MAY 16, 2012**

FINDINGS AND RESPONSES

Finding 2012-1 – Fixed Assets Inventory

Condition: While performing inventory at the District barn, it was noted that no items were marked with the County ID number. Also, the following inventory items could not be located:

Inventory Number	Description	Make	Serial Number
315-002	Jaw Hook Saw	Crosby	
418-003	Converter	Astron	99110020
420-005	Oil Transfer Pump	Northern	95106910
420-006	Centrifical Pump	Pacer	Code 29846
420-007	Water Pump Used	Tsurumi Engine Pump	400604
421-003	Flat Steel Lifting Clamp	Merrel Model GXL1	
421-005	Vise, 6 Inch Heavy Duty	Columbian	
425-024	Chainsaw	Stihl	35635423
425-032	Stihl Chainsaw	Stihl	274043082
601-049	Wattmeter RF Directional	Thurline, Bird	189095
620-012	Computer Monitor Screen	E Machine	CGM7530019195

Cause of Condition: Inventory items were not marked with the County ID number and the inventory listing did not accurately reflect the items on hand at the County barn.

Effect of Condition: Inventory items were not safeguarded and some items could not be located.

Recommendation: OSAI recommends the District mark all equipment with the County ID number and to periodically review, reconcile, and update the equipment inventory to accurately reflect the equipment on hand.

Management Response: We are currently attaching all the tags to the equipment and will continue to do periodical reviews and updates throughout the year.

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

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DISTRICT 1
MAY 16, 2012**

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...biennially thereafter, or oftener...

Title 69 O.S. § 645 states:

The board of county commissioners shall cause each piece of county-owned, rented or leased road machinery and equipment, and each automobile and truck, to be marked in accordance with the provisions of this section. County-owned automobiles, trucks, road machinery and equipment shall be conspicuously and legibly marked PROPERTY OF (name of county) COUNTY, and leased automobiles, trucks, road machinery and equipment shall be conspicuously and legibly marked LEASED BY (name of county) COUNTY, on each side, in upper case letters, on a background of sharply contrasting color.

Finding 2012-2 – Consumable Inventory

Condition: During our review of consumable inventory items at District 1, the following were noted:

- Fuel is not included on the consumable inventory report.
- The District barn does not maintain accurate fuel logs that show the beginning and ending balance.
- Fuel logs are not maintained for fuel at offsite locations.

Cause of Condition: Fuel is not on the consumable inventory listing and fuel logs are not accurately maintained.

Effect of Condition: Consumable inventory items were not accurately accounted for and the District's consumable inventory items may not be safeguarded.

Recommendation: OSAI recommends that the District barn include fuel on the consumable inventory report, maintain accurate fuel logs for offsite locations, and reconcile the fuel logs to the actual fuel count on hand.

Management Response: We are matching the readouts of our Veeder-Root meter to the actual hand written records of fuel consumption. Diesel fuel is included on the Summary of Consumable Items and will be logged out accordingly in an attempt to have more accurate documentation.

Criteria: An important aspect of internal controls is the safeguarding of assets. Internal controls over safeguarding of assets 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

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unauthorized acquisition, use, or disposition of the entity's consumable inventory and safeguard consumable inventory from loss, damage, or misappropriation.

Title 19 O.S. § 1502.B states:

- B. The board of county commissioners shall:
 - 1. Prescribe a uniform identification system for all supplies, materials and equipment of a county not used in the construction and maintenance of roads and bridges; and
 - 2. Create and administer an inventory system for all:
 - a. equipment of a county having an original cost of Five Hundred Dollars (\$500.00) or more and not used in the construction and maintenance of roads and bridges, and
 - b. supplies and materials of a county purchased in lots of Five Hundred Dollars (\$500.00) or more and not used in the construction and maintenance of roads and bridges.

The board of county commissioners may designate an employee of that office to administer such inventory system.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

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