

STATUTORY REPORT

PONTOTOC COUNTY COMMISSIONER DISTRICT 2 TURNOVER

December 21, 2016



*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
RANDY FLOYD
PONTOTOC COUNTY COMMISSIONER
DISTRICT 2
DECEMBER 21, 2016**

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 State Auditor & Inspector

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

February 17, 2017

BOARD OF COUNTY COMMISSIONERS
PONTOTOC COUNTY COURTHOUSE
ADA, OKLAHOMA 74820

Transmitted herewith is the Pontotoc County Officer Turnover Statutory Report for December 21, 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". The signature is fluid and cursive, with the first name "Gary" being the most prominent.

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

Randy Floyd
Pontotoc County Commissioner, District 2
Pontotoc County Courthouse
Ada, Oklahoma 74820

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for December 21, 2016:

- 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.
- Verify that the Officer has designated a first deputy or chief deputy on file with the County Clerk in accordance with 19 O.S. § 180.81.

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.

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

December 28, 2016

**COUNTY OFFICER TURNOVER STATUTORY REPORT
RANDY FLOYD
PONTOTOC COUNTY COMMISSIONER
DECEMBER 21, 2016**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2017-01 – Noncompliance Over Fixed Assets

Condition: Upon inquiry and observation of District 2 fixed assets inventory items, we noted the following:

- The District is not updating inventory records to reflect all fixed asset acquisitions with a value of \$500 or more.

While taking inventory of fixed asset items the following was noted:

- Items were not included on the County’s inventory records.

County Identification Number	Item/Description	Serial Number
None	White tanker trailer	None
None	Pipe trailer – 30 foot	None
None	Mosquito spray rig	None

- Item could not be located.

County Identification Number	Item/Description	Serial Number
354-04	Flat bed for a ¾ ton pickup	None

Cause of Condition: Policies and procedures have not been designed and implemented to ensure compliance with the state statutes regarding maintaining fixed assets.

Effect of Condition: These conditions resulted in noncompliance with state statute. Additionally, when fixed assets are not monitored, opportunities for misuse or loss of equipment can occur.

Recommendation: The Oklahoma State Auditor & Inspector Office (OSAI) recommends the following with regards to fixed assets.

- All fixed asset inventory with a value of \$500 or more should be kept on inventory records.

Additionally, OSAI recommends that the District investigate the disposition of equipment that could not be located.

Management Response:

District 2 Commissioner: We will make sure that fixed asset inventory cards are prepared and maintained for all equipment that we did not have on our inventory records. We believe that the flat bed was mounted to a three quarter (¾) ton pickup that was sold at auction 2 years ago.

**COUNTY OFFICER TURNOVER STATUTORY REPORT
RANDY FLOYD
PONTOTOC COUNTY COMMISSIONER
DECEMBER 21, 2016**

Criteria: 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 unauthorized transactions and safeguarding assets from misappropriation.

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 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..."

Finding 2017-02 – Noncompliance Over Consumable Inventory

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

- The District has two (2) 1,000 gallon satellite fuel tanks. The District does not maintain fuel logs, with a balance that they reconcile to the actual fuel on hand, for these tanks. The District measures fuel in the tanks periodically and maintains the measured balance, but they do not keep track of the amount of fuel, date, equipment type, and person that pumps fuel from the tanks.
- The District had two (2) 14.00R24 tires on hand that were not recorded on the consumable inventory records.

Cause of Condition: Policies and procedures have not been designed to ensure compliance with the state statutes regarding maintaining consumable items. Additionally, procedures have not been designed and implemented to provide for accurate consumable items inventory records.

Effect of Condition: These conditions resulted in noncompliance with state statutes. Additionally, when consumable inventories are not monitored on a monthly basis, opportunities for misuse or theft of items are more likely to occur.

Recommendation: OSAI recommends the following with regards to consumable items:

- Consumable items records should be prepared and maintained for all consumable inventories. These records should be kept with a balance that can be reconciled to the actual consumable items on hand.

COUNTY OFFICER TURNOVER STATUTORY REPORT
RANDY FLOYD
PONTOTOC COUNTY COMMISSIONER
DECEMBER 21, 2016

- Fuel log should be performed and maintained for all fuel tanks, including satellite fuel tanks. This log should reflect the date that fuel is pumped from the tank, the amount on fuel being pumped, the equipment the fuel is pumped into, and the person that is pumping the fuel. This fuel log should have a balance on it and be reconciled, periodically, to the actual fuel on hand.

Management Response:

District 2 Commissioner: Consumable inventory items will be located and recorded to the appropriate records. We will prepare and maintain a fuel log for all satellite fuel tanks. This log will indicate the equipment, person pumping the fuel, and the fuel amount. We will periodically reconcile this log to the fuel on hand.

Criteria: 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 unauthorized transactions and safeguarding assets from misappropriation.

Effective internal controls include designing and implementing procedures to ensure that all supplies, materials, and equipment received, disbursed, stored and consumed by their department comply with 19 O.S. § 1504A.



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

WWW.SAI.OK.GOV