

STATUTORY REPORT

PONTOTOC COUNTY COMMISSIONER DISTRICT 2 TURNOVER

December 20, 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
DANNY DAVIS
PONTOTOC COUNTY COMMISSIONER
DISTRICT 2
DECEMBER 20, 2012**

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Oklahoma State Auditor & Inspector

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February 6, 2013

BOARD OF COUNTY COMMISSIONERS
PONTOTOC COUNTY COURTHOUSE
ADA, OKLAHOMA 74820

Transmitted herewith is the Pontotoc County Officer Turnover Statutory Report for December 20, 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, appearing to read "Gary A. Jones".

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



Oklahoma State Auditor & Inspector

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Danny Davis
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 20, 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, appearing to read "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

December 20, 2012

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2013-1 – Fixed Assets Inventory

Condition: During our examination of the fixed assets inventory, the following items could not be located:

Description	Serial Number	County Identification Number
HP 6500 Printer	THO38210KH	239-03
1963 Air Compressor	None	324-02
Brush Cutter	1VRN15170Y1003305	330-05

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

Effect of Condition: Failure to maintain accurate records of fixed assets inventory and failure to perform a periodic physical inventory of fixed assets inventory could result in inaccurate records, unauthorized use of fixed assets inventory, or misappropriation of fixed assets inventory.

Recommendation: OSAI recommends that management implement controls to comply with 19 O.S. § 178.1. OSAI also recommends the District perform a review and reconciliation of fixed assets inventory on hand to fixed assets records, on an annual basis.

Management Response:

Outgoing Commissioner, District 2:

I believe that the missing items were disposed of during the clean up and construction of the new county barn. I believe the air compressor was sold as junk iron and that the printer was trashed. I believe that the brush cutter was traded for a different mower during the prior administration.

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 therefore maintain or cause to be maintained a continuous inventory record...biennially thereafter, or oftener...

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Finding 2013-2 – Inventory Records

Condition: During our review of the fixed assets inventory, OSAI noted that the inventory list and the fixed assets inventory at the County Clerk’s office were not updated. Furthermore, the following equipment was not approved for disposal by the Board of County Commissioners.

- 1952 Army Oil Tanker – Serial Number 25X14279 – County Identification Number 436-02

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

Effect of Condition: Failure to maintain accurate records of fixed assets inventory and failure to perform a periodic physical inventory of fixed assets inventory could result in inaccurate records, unauthorized use of fixed assets inventory, or misappropriation of fixed assets inventory.

Recommendation: OSAI recommends that management implement controls to comply with 19 O.S. § 178.1. OSAI also recommends the District perform a review and reconciliation of fixed assets inventory on hand to fixed assets records, on an annual basis.

Management Response:

Outgoing Commissioner, District 2:

The equipment was sold for junk iron. The disposal of the equipment did not go through a Board of County Commissioners’ meeting.

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 therefore 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 custody of the county or of any office, board, department, commission or any either thereof, and the disposition thereof whether sold, exchanged, leased, or let where authorized by statute, junked, strayed or stolen...



OFFICE OF THE STATE AUDITOR AND INSPECTOR

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