

STATUTORY REPORT

**POTTAWATOMIE COUNTY COMMISSIONER
DISTRICT 2 TURNOVER**

January 8, 2013



*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
JERRY RICHARDS
POTTAWATOMIE COUNTY COMMISSIONER
DISTRICT 2
JANUARY 8, 2013**

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Oklahoma State Auditor & Inspector

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January 9, 2013

BOARD OF COUNTY COMMISSIONERS
POTTAWATOMIE COUNTY COURTHOUSE
SHAWNEE, OKLAHOMA 74801

Transmitted herewith is the Pottawatomie County Officer Turnover Statutory Report for January 8, 2013. 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



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Jerry Richards
Pottawatomie County Commissioner, District 2
Pottawatomie County Courthouse
Shawnee, Oklahoma 74801

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for January 8, 2013:

- 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.

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".

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

January 8, 2013

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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2013-1—Consumable Inventory

Condition: During our review of consumable inventory items at District 2, OSAI noted the following exceptions:

Consumable Item	Quantity per County Records	Actually Verified	Variance
24" ¼ Steel Pipe	275.3 Feet	260 Feet	15.3 Feet
26" ¼ Steel pipe	49.6 Feet	29 Feet	20.6 Feet

Cause of Condition: The District 2 County Commissioner is not requiring consumable records to be maintained, accurately updated, and reconciled to physical counts.

Effect of Condition: By not maintaining accurate consumable records, the County increases the risk of misappropriation of consumable inventory.

Recommendation: OSAI recommends management take steps to ensure consumable items are adequately secured and records are accurately maintained and reconciled to the actual count on hand.

Management Response:

Incoming County Commissioner: This is a problem that I inherited when I took office. I will ensure that records are corrected and that periodic inventories are performed.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of consumable assets, consumable item's records should be accurately maintained, updated in a timely manner, and reconciled to physical counts. Title 19 O.S. §1502 prescribes the procedures to be used to account for supplies and materials used in the construction and maintenance of roads and bridges.

Finding 2013-2 – Fixed Assets Inventory

Condition: During our review of fixed asset items at District 2, OSAI noted the following exceptions:

- County pickups are not marked "Property of Pottawatomie County."
- Items are not marked with County ID numbers.
- We were unable to visually verify these four items.

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County ID	Item	Serial Number	Cost	Date Acquired
D2-404-10	Miller Arc Welder	JH186522	N/A	N/A
D2-412-2	Wlicox Fuel Transfer Pump	N/A	\$290.68	9/23/1991
N/A	Lexmark All-In-one Printer	N/A	N/A	2007
N/A	Radius CM 200 Radio	770FQN5793	N/A	N/A

Cause of Condition: Procedures have not been designed to implement internal controls over the safeguarding of fixed assets by performing an annual physical inventory count and maintaining fixed asset inventory records. Procedures have not been designed to ensure equipment is marked with county identification numbers and “Property of Pottawatomie County.”

Effect of Condition: When documentation of an annual inventory count is not maintained and duties are not adequately segregated, there is opportunity for misuse or loss of equipment. Additionally, when equipment is not marked with county identification numbers and “Property of Pottawatomie County,” opportunities for misuse or loss of equipment can occur.

Recommendation: OSAI recommends that management implement controls to comply with 19 O.S. § 178.1. We also recommend that the District 2 County Commissioner perform an annual inventory count and retain documentation to verify the physical inventory counts are performed.

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

Management Response:

Incoming County Commissioner: This is a problem that I inherited when I took office. I will ensure that fixed asset records are corrected and that an annual physical inventory is conducted. We are in the process of affixing County ID numbers and marking all equipment with “Property of Pottawatomie County.”

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