

STATUTORY REPORT

PUSHMATAHA COUNTY COMMISSIONER DISTRICT 1 TURNOVER

December 27, 2010



*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
JACK MATTHEWS
PUSHMATAHA COUNTY COMMISSIONER
DISTRICT 1
DECEMBER 27, 2010**

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Oklahoma State Auditor & Inspector

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February 25, 2011

BOARD OF COUNTY COMMISSIONERS
PUSHMATAHA COUNTY COURTHOUSE
ANTLERS, OKLAHOMA 74523

Transmitted herewith is the Pushmataha County Commissioner, District 1, Officer Turnover Statutory Report for December 27, 2010. The engagement was conducted in accordance with 19 O.S. § 171.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of our engagement.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the State to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones".

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



Oklahoma State Auditor & Inspector

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Jack Matthews, Pushmataha County Commissioner
District 1
Pushmataha County Courthouse
Antlers, Oklahoma 74523

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for December 27, 2010:

- Verify that equipment items on hand agree with inventory records as 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.

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, machinery and equipment acquisitions, dispositions, and expenditures were in accordance with the statutory requirements. With respect to equipment items on hand agreeing to inventory records and consumable inventory on hand agreeing to consumable inventory records, our findings are presented in the accompanying schedule of findings and responses.

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".

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

January 5, 2011

**COUNTY OFFICER TURNOVER STATUTORY REPORT
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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2011-1 – Fixed Assets

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 unauthorized acquisition, use, or disposition of the entity's assets and safeguard assets from loss, damage, or 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...biennially thereafter, or oftener...

Title 19 O.S. § 421 states:

From and after the effective date of this act, each board of county commissioners of the several counties in the state shall within thirty (30) days after the disposition of any tools, apparatus, machinery, and equipment belonging to the county or leased or otherwise let to it or any department thereof, the original cost of which is more than Five Hundred Dollars (\$500.00), whether sold, exchanged, junked, leased or let where authorized by statute, shall enter, or cause to be entered, in the minutes of the proceedings of the board the fact of such disposition, including complete description of item, serial number, the date property was acquired, the name and address of the person or firm from whom property was acquired, the cost price at time of acquisition or contract price if acquired under lease-rental agreement, the date of disposition, the name and address of the person or firm to whom property transferred, the price received therefore and the reason for disposition.

Condition: Equipment inventory lists for District 1 were not up-to-date and an accurate inventory record was not on file with the County Clerk's office. Also, we could not determine the disposition of some equipment items listed on the County Clerk's inventory record.

Effect: Inventory items were not accurately accounted for and the County's assets may not be safeguarded.

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Recommendation: OSAI recommends the Board of County Commissioners cause to be taken a biennial inventory of all working tools, apparatus, machinery, and equipment belonging to the County. OSAI also recommends that these inventories be documented and filed with the County Clerk. In addition, OSAI recommends that District 1 determine the disposition or location of all un-located items and update the County Clerk's inventory record accordingly.

Finding 2011-2 – Consumable Inventory

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

Title 19 O.S. § 1502 states:

A.2.c. An appointed county road and bridge inventory officer shall, at the expense of the county, be authorized adequate office space, furnishings, equipment and supplies to carry out the duties and responsibilities of the county road and bridge inventory officer as provided by law and as may be delegated by the appointing authority. Provided, the acquisition of such furnishings, equipment and supplies shall be upon the approval of the appointing authority and the acquisition of office space shall be upon the approval of the board of county commissioners.

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.

Condition: Consumable inventory items in the yard did not agree to the consumable stock cards maintained by District 1. Some consumable inventory items were not being maintained on consumable stock cards.

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

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Recommendation: OSAI recommends that the County Commissioners investigate the discrepancies between the consumable records and the physical inventory of consumable items and make appropriate adjustments. OSAI recommends that consumable inventory cards be created and maintained for all consumable inventory items.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

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