

STATUTORY REPORT

# ROGERS COUNTY EMERGENCY MANAGEMENT DIRECTOR TURNOVER

January 31, 2013



Oklahoma State  
Auditor & Inspector  
Gary A. Jones, CPA, CFE

**ROGERS COUNTY EMERGENCY MANAGEMENT  
ROGERS COUNTY, OKLAHOMA  
TURNOVER REPORT  
JANUARY 31, 2013**

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# Oklahoma State Auditor & Inspector

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

April 15, 2013

BOARD OF COUNTY COMMISSIONERS  
ROGERS COUNTY COURTHOUSE  
CLAREMORE, OKLAHOMA 74017

Transmitted herewith is the Rogers County Emergency Management Turnover Report for January 31, 2013.

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".

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



# Oklahoma State Auditor & Inspector

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Kirt Thacker, Chairman  
Rogers County Commissioner  
Rogers County Courthouse  
Claremore, Oklahoma 74017

We have performed the following procedures for the Rogers County Emergency Management as of January 31, 2013:

- Perform a physical inventory and ensure that items are properly recorded and accounted for, as per 19 O.S. § 178.1.
- Determine that fuel purchases were reasonable and properly documented.

Information addressed in this report is the representation of the respective county officers.

Our Emergency Management turnover engagement was limited to the 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".

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

April 15, 2013

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JANUARY 31, 2013**

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**SCHEDULE OF FINDINGS AND RESPONSES**

**INTRODUCTION**

Our office was requested by the Rogers County Board of County Commissioners to conduct an audit of the Emergency Management Department subsequent to the termination of the Director on January 2, 2013. The request included an examination of the Emergency Management's inventory and expenditures (i.e., fuel usage).

An accurate inventory listing was not on file with the County Clerk. The former Director had completed an inventory form and certified that it was a true and accurate summary of all inventory items assigned to the Emergency Management Department. The Director signed and dated this form on July 1, 2011. OSAI reviewed all expenditures from July 1, 2005, to the date of fieldwork, to determine that all inventory items were included on the inventory, certified as complete by the Director. OSAI noted 49 items that were not included on the certified inventory listing.

OSAI conducted a physical verification of all inventory items. Since some inventory items could not be located, OSAI contacted the former Director to assist in locating the missing items. Some of the missing items were still in the possession of the former Director and the former Deputy Director, whose employment ceased on October 31, 2011.

As a result of the Board of County Commissioners' request, the following exceptions were noted:

**FINDING-1 – INCOMPLETE RECORDS OF FIXED ASSETS INVENTORY**

**Condition:** An accurate inventory listing was not maintained for the Emergency Management Department. Some inventory items in the possession of the former Emergency Management Director and Deputy Director were not returned to the County, as requested by the Board of County Commissioners, upon termination of the former Emergency Management Director. We noted the following:

- Certified inventory did not have detailed information provided, such as, serial numbers, location of items, county identification numbers, etc.
- Inventory items were not properly marked with county identification numbers.
- The former Emergency Management Director placed three items in the possession of Tri-District Fire Department. Two of these items (Radio and Evaporative Fan) were not listed on the inventory records on file with the County Clerk. The third item (LCD HDTV) was listed on the inventory records but the location of the item was not listed.
- The items listed in the following table were still in the personal possession of terminated employees of the Emergency Management Department.

**ROGERS COUNTY, OKLAHOMA  
EMERGENCY MANAGEMENT TURNOVER REPORT  
JANUARY 31, 2013**

<b>Item/Description</b>	<b>Date Acquired</b>	<b>Amount</b>	<b>Location</b>
ICOM 50 Watt VHF Radio	07/26/04	\$450.00	Tri-District Fire Department
IFinder Pro GPS	07/26/04	\$209.30	In the possession of Former Deputy Director
Kenwood Dual Band Radio	07/27/04	\$230.00	In the possession of Former Director
24" Evaporative Fan	02/24/05	\$1,485.00	Tri-District Fire Department
Cub Cadet Country Fire Rescue 6x4	02/24/05	\$9,999.00	In the possession of Former Director
6x10 Dovetail Trailer	03/08/05	\$850.00	In the possession of Former Director
69-14-ATV Trailer	04/15/05	\$825.00	In the possession of Former Director
Kenwood 400 MG Radios	05/24/06	\$450.00	In the possession of Former Director
Kenwood 400 MG Radios	05/24/06	\$450.00	In the possession of Former Director
Relm 99 Channel Walkie	02/14/07	\$300.00	In the possession of Former Director
Steiner 10x50 Police Binoculars	06/04/07	\$399.99	In the possession of Former Deputy Director
Steiner 10x50 Police Binoculars	06/04/07	\$399.99	In the possession of Former Director
Cannon DC210 DVD Camcorder	10/12/07	\$314.99	In the possession of Former Deputy Director
37" Olevia LCD HDTV	04/21/08	\$719.99	Tri-District Fire Department
Hazcom: Right to Know DVD Kits	09/09/08	\$299.00	In the possession of Former Director
TomTom XL300S GPS	11/18/08	\$249.99	In the possession of Former Deputy Director
TomTom XL300S GPS	11/18/08	\$249.99	In the possession of Former Director
Lexmark X4530 Printer	11/18/08	\$89.99	In the possession of Former Deputy Director
Lexmark X4530 Printer	11/18/08	\$89.99	In the possession of Former Director
Black RipStop Military Flight Suits	03/17/09	\$460.00	In the possession of Former Deputy Director
Black RipStop Military Flight Suits	03/17/09	\$460.00	In the possession of Former Director
Nikon Codpix P6000 Cameras	05/06/09	\$489.99	In the possession of Former Deputy Director
Nikon Codpix P6000 Cameras	05/06/09	\$489.99	In the possession of Former Director
Custom Storage Unit for EM Expedition	7/25/09	\$973.00	In the possession of Former Director

**ROGERS COUNTY, OKLAHOMA  
EMERGENCY MANAGEMENT TURNOVER REPORT  
JANUARY 31, 2013**

---

**Cause of Condition:** Policies and procedures over inventory were not implemented to ensure compliance with state statute. Additionally, internal control policies and procedures have not been designed or implemented to ensure accurate recordkeeping of the fixed assets inventory and the safeguarding of assets against loss and/or theft.

**Effect of Condition:** This condition could result in inaccurate records, loss of county assets, and/or misappropriation of county assets.

**Recommendation:** OSAI recommends the Board of County Commissioners implement procedures to ensure that the fixed assets inventory of the County is adequately documented with descriptions, county identification numbers, and location of assets. OSAI also recommends that the Board of County Commissioners implement procedures for all departments of the County to perform an annual physical verification of fixed assets and file documentation of the verification with the County Clerk.

**Management Response:**

**Board of County Commissioners:** As a direct response to Finding-1 – Incomplete Records of Fixed Assets Inventory, the Board of County Commissioners has implemented the following:

- Certified inventory will now have detailed information including serial numbers, location of items, county identification numbers, etc.
- Inventory will be properly marked with county identification numbers.
- No inventory will be in the possession of any other entity without proper transfer documentation and inventory recording.
- No terminated employee will retain possession of Rogers County inventory. SOP has been adopted by the BOCC.

Rogers County Board of County Commissioners has implemented an SOP, Standard Operating Procedure, to ensure that the fixed assets inventory of the County is adequately documented, has identification numbers, and locations of assets. This will be done on an annual basis to be filed with the County Clerk.

**Criteria:** An important aspect of internal controls is the safeguarding of assets. Internal controls 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 fixed assets, and safeguarding consumable items from loss, damage, or misappropriation. Internal controls should include procedures to ensure compliance with Title 19 O.S. § 178.1.

**FINDING-2 – MISSING INVENTORY ITEMS**

**Condition:** The following five items could not be located during a physical verification of inventory. Also, there were no Board of County Commissioners' resolutions on file for the surplus and disposal of these items.

**ROGERS COUNTY, OKLAHOMA  
EMERGENCY MANAGEMENT TURNOVER REPORT  
JANUARY 31, 2013**

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<b>Item/Description</b>	<b>Date Acquired</b>	<b>Amount</b>
Adview 17" Flat Screen Monitor	07/01/04	\$425.00
Relm 99 Channel Walkie	02/14/07	\$300.00
50 Watt Alph 250 Channel Radio	09/19/07	\$450.00
Relm 50Watt Radio	10/12/07	\$450.00
5,000 Watt Troy-Built Generator	10/17/11	Transferred from District #3

At the date of fieldwork, OSAI was unable to locate a generator. The former Director purchased a new generator on March 9, 2013, to replace the missing generator noted above. The Tri-District Fire Department provided the funds to purchase this new generator. The former Director stated that Emergency Management had loaned the generator to a family during a storm and the generator was never returned.

**Cause of Condition:** Policies and procedures over inventory were not implemented to ensure compliance with state statute. Additionally, internal control policies and procedures have not been designed or implemented to ensure accurate recordkeeping of the fixed assets inventory and the safeguarding of assets against loss and/or theft.

**Effect of Condition:** This condition resulted in missing inventory and inaccurate records of the fixed assets inventory.

**Recommendation:** OSAI recommends the Board of County Commissioners implement procedures to ensure that the fixed assets inventory of the County is adequately documented with descriptions, county identification numbers, and location of assets. OSAI also recommends that the Board of County Commissioners implement procedures for all departments of the County to perform an annual physical verification of fixed assets and file documentation of the verification with the County Clerk.

**Management Response:**

**Board of County Commissioners:** As a direct response to the Finding 2 – Missing Inventory Items, the Board of County Commissioners has implemented the following:

- The Board of County Commissioners has done a physical verification of all Emergency Management Inventory and has updated inventory records.
- The BOCC will require resolutions for surplus and disposal of any items on the current updated inventory by Emergency Management.

Rogers County Board of County Commissioners will work with Emergency Management to maintain accurate records. The Board has implemented internal procedures (SOP) to ensure accurate recordkeeping of the fixed assets inventory and the safeguarding of assets against loss and/or theft.



**ROGERS COUNTY, OKLAHOMA  
EMERGENCY MANAGEMENT TURNOVER REPORT  
JANUARY 31, 2013**

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**Criteria:** An important aspect of internal controls is the safeguarding of assets. Internal controls 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 fixed assets, and safeguarding consumable items from loss, damage, or misappropriation. Internal controls should include procedures to ensure compliance with Title 19 O.S. § 178.1.

**FINDING-3 – DETAILED FUEL RECORDS NOT MAINTAINED**

**Condition:** During our review of fuel purchases, we noted that detailed fuel records documenting fuel usage by vehicle and employee were not maintained.

**Cause of Condition:** Procedures have not been designed to properly account for fuel usage within the Emergency Management Department.

**Effect of Condition:** Since detailed records of fuel usage were not maintained, management was unable to monitor fuel expenses and to verify that usage was reasonable and necessary. This condition could result in misappropriation of county funds.

**Recommendation:** OSAI recommends that management implement procedures that require detailed records of fuel usage. A fuel log should be utilized which details dates, amount of fuel purchased, vehicle identification number, and the purpose of expenditure. These records should be used by management to monitor fuel expenses.

**Management Response:**

**Board of County Commissioners:** As a direct response to the Finding 3 – Detailed Fuel Records Not Maintained, the Board of County Commissioners has implemented the following:

- The BOCC has implemented procedures to record fuel usage. An Excel spreadsheet log details date, amount of fuel, VIN#, and purpose of fuel expenditure.
- Records will be kept with Emergency Management and with the BOCC.

The Board of County Commissioners has implemented internal controls to properly account for fuel usage within the Emergency Management Department to prevent misappropriation of county funds.

**Criteria:** An important aspect of internal controls is the safeguarding of assets. Internal controls 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 consumable inventory items, and safeguard consumable inventories from loss or misappropriation.



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