

STATUTORY REPORT

# STEPHENS COUNTY CLERK TURNOVER

June 28, 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  
JO JOHNSON  
STEPHENS COUNTY CLERK  
JUNE 28, 2012**

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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

July 17, 2012

BOARD OF COUNTY COMMISSIONERS  
STEPHENS COUNTY COURTHOUSE  
DUNCAN, OKLAHOMA 73533

Transmitted herewith is the Stephens County Officer Turnover Statutory Report for June 28, 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 that reads "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



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Ms. Jo Johnson  
Stephens County Clerk  
Stephens County Courthouse  
Duncan, Oklahoma 73533

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for June 28, 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 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.
- Verify that the Officers' depository account balances reconcile with the County Treasurer's records and that undeposited cash reconciles to receipts.

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.

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

June 28, 2012

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2012-1—Inadequate Internal Controls over Fixed Asset Inventories**

**Condition:** The County Clerk did not have procedures in place to ensure that fixed asset inventory was maintained in accordance with 19 O.S. §178.1:

- Although the County Clerk maintained fixed asset inventory cards for equipment costing \$500.00 or more, there was no documentation retained to determine that an annual physical inventory count was performed, because a summary of all the fixed assets located in the office was not maintained.

**Cause of Condition:** Procedures have not been designed to implement internal controls over the safeguarding of fixed assets by performing an annual physical inventory and documenting that inventory on the fixed asset summary sheet.

**Effect of Condition:** When documentation of an annual inventory count is not maintained using the summary of fixed assets inventory sheet, there is opportunity for misuse or loss of equipment.

**Recommendation:** OSAI recommends that management realize the importance of implementing internal controls over fixed assets. We also recommend that the County Clerk perform an annual inventory count and retain documentation to verify the physical inventory counts are performed.

**Management Response:** The Stephens County Clerk has taken the necessary procedures to safeguard fixed assets. An annual physical inventory count will be maintained and documented. Internal control also includes a summary of all fixed assets, in compliance with 19 O.S. § 178.1.

**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 fixed assets and safeguard fixed assets from loss, damage, or misappropriation.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

2300 N. LINCOLN BOULEVARD, ROOM 100

OKLAHOMA CITY, OK 73105-4896

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