



STEPHENS COUNTY COMMISSIONER DISTRICT 1 TURNOVER

Statutory Report

January 10, 2019

Cindy Byrd, CPA
State Auditor & Inspector

**OFFICER TURNOVER STATUTORY REPORT
DAVID MCCARLEY
STEPHENS COUNTY COMMISSIONER
DISTRICT 1
JANUARY 10, 2019**

This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 19 O.S. § 171, has not been printed, but is available on the agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.

February 14, 2019

BOARD OF COUNTY COMMISSIONERS
STEPHENS COUNTY COURTHOUSE
DUNCAN, OKLAHOMA 73533

Transmitted herewith is the Stephens County Officer Turnover Statutory Report for January 10, 2019. 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,



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



David McCarley
Stephens County Commissioner, District 1
Stephens County Courthouse
Duncan, Oklahoma 73533

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for January 10, 2019:

- Verify equipment items on hand agree with inventory records maintained 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.
- 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.

Information addressed in this report is the representation of the respective officer.

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.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

February 12, 2019



**OFFICER TURNOVER STATUTORY REPORT
DAVID MCCARLEY
STEPHENS COUNTY COMMISSIONER, DISTRICT 1
JANUARY 9, 2019**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2019-001 - Inadequate Internal Controls and Noncompliance Over Fixed Assets and Consumable Inventories

Condition: During the review of the District 1 County Commissioner's fixed assets, the following weaknesses were noted:

- Twelve (12) items were not properly identified with a county identification numbers or had inaccurate numbering.
- The inventory listing reflected four (4) items that had been disposed (sold or traded) in prior years by the County.
- The inventory listing was not up to date and on file with the County Clerk.

During the review of the consumable inventory items, it was noted that thirteen (13) out of fifty-six (56) consumable items had indeterminable amounts on hand due to the way the material was stored.

Cause of Condition: Policies and procedures have not been adequately designed and implemented by county offices/departments to ensure the accurate reporting of fixed assets, and consumable inventory items, as well as adequate procedures to ensure equipment is properly identified in accordance with state statutes.

Effect of Condition: These conditions resulted in noncompliance with state statutes. Opportunities for loss and misappropriation of county assets may be more likely to occur when the County does not have procedures in place for account for fixed assets. Additionally, when consumable inventory items are not adequately documented, the opportunity for the misappropriation and undetected errors could result.

Management Response:

Current County Commissioner: The inadequacies noted on identification numbers and errors on fixed assets has now been corrected and the records will be corrected. Also, the indeterminable amounts of consumable items are being measured and the stock cards are being updated.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. 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 transactions and safeguarding assets from misappropriation.

Title 19 O.S. § 178.1, which requires the board of county commissioners in each county of this state to take or cause to be taken, an inventory of all working tools, apparatus, machinery and equipment.

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JANUARY 9, 2019

Title 19 O.S. § 645, all county owned, rented, or leased road machinery or equipment be clearly and visibly marked “Property Of ...”

Title 19 O.S. § 1502(A)(1), which requires a prescribed uniform identification system for all supplies, materials, and equipment of a county used for maintenance for roads and bridges.

Title 19 O.S. § 1502(B)(1) which requires a prescribed uniform identification system for all supplies, materials, and equipment of a county not used in the construction and maintenance for roads and bridges.

Title 19 O.S. § 1504 which requires the receiving officer to maintain a record of all items received, disbursed, stored and consumed by the department.

O·K·L·A·H·O·M·A
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