

STATUTORY REPORT

# WASHITA COUNTY COMMISSIONER DISTRICT 1 TURNOVER

December 17, 2014



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

**COUNTY OFFICER TURNOVER STATUTORY REPORT  
JAMES GEE  
WASHITA COUNTY COMMISSIONER  
DISTRICT 1  
DECEMBER 17, 2014**

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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

February 3, 2015

BOARD OF COUNTY COMMISSIONERS  
WASHITA COUNTY COURTHOUSE  
CORDELL, OKLAHOMA 73632

Transmitted herewith is the Washita County Officer Turnover Statutory Report for December 17, 2014. 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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James Gee  
Washita County Commissioner, District 1  
Washita County Courthouse  
Cordell, Oklahoma 73632

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for December 17, 2014:

- Verify that 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 county 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.

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

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2015-01 – Inadequate Internal Controls and Noncompliance Over Fixed Assets Inventory**

**Condition:** While performing the verification of fixed assets inventory for the District 1 County Commissioner, the following discrepancies were noted.

- Nineteen items were not marked with a County identification number.

County ID Number	Description	Serial Number	Cost
D302-0044	1985 Truck with Flat Bed	1HTLCHXP5FHA47739	\$17,899.00
D322-0001	Jackhammer	805985	\$630.00
D322-0002	Pavement Breaker	810303	\$590.00
D322-0006	Tamper	101540051607	\$2,468.00
D322-0009	2010 Sheet Pile Driver	Not applicable	\$9,800.00
D330-0037	2010 Pole Saw	279832075	\$540.00
D341-0006	2013 Hydraulic Auger Bit 16X48	112042A	\$1,778.00
D441-0056	2011 Rotary Mower	1174159	\$13,577.85
D441-0057	2011 Rotary Mower	1181088	\$13,577.85
D441-0058	2011 Rotary Mower	1179818	\$13,577.85
D441-0059	2013 Rotary Mower	1236885	\$15,874.56
D450-0002	2013 Hose Reel	35457	\$617.10
D456-0001	2013 Universal Sharpener	70738582	\$699.99
D461-0001	2009 Planetary Auger	1031	\$6,289.00
D462-0001	2013 Portable Air	282635-12	\$2,299.90
D610-0007	2007 Computer	CCO1000820	\$1,487.99
D610-0010	2011 Computer System	BQ4WDP1	\$1,039.94
D624-0002	Shower/Eye Wash	Not applicable	\$531.25
D633-0002	2013 Television	LTYXNTAP0952419	\$648.00

- Five items were not marked with “Property of Washita County.”

County ID Number	Description	Serial Number	Cost
D304-0030	2006 Tractor	LO6715D480934	\$51,537.37
D304-0032	2009 Tractor	L07230H603775	\$54,936.00
D304-0033	2009 Tractor	L07230H603821	\$54,936.00

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County ID Number	Description	Serial Number	Cost
D348-0036	2011 Flat Bed Trailer	5R8CH2020BM018425	\$2,895.00
D348-0032	Low Boy Trailer	Not available	Not Available

- Three equipment items had been disposed of by resolution, but were not removed from inventory records maintained at the County Clerk’s office.

County ID Number	Description	Serial Number	Cost
D348-0023	Van Trailer	128740	\$900.00
D412-0002	1984 Fuel Pump	014-785-34641	\$1,309.00
D412-0010	Single Suction Pump	450797	\$2,100.00

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure compliance with state statutes.

**Effect of Condition:** These conditions resulted in noncompliance with state statutes. When fixed assets are not monitored and equipment is not properly marked with County identification numbers and “Property of Washita County” opportunities for misuse or loss of equipment can occur.

**Recommendation:** The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends that management implement internal controls to comply with Title 19 O.S. § 178.1 and 69 O.S. § 645. We also recommend that the District 1 County Commissioner perform annual inventory verification, and retain documentation to verify the physical inventory counts are performed.

**Management Response:**

**Board of County Commissioners:** District 1 will perform annual inventory verification in order to make sure all pieces are accounted for. District 1 will also be sure during this annual inventory verification that all pieces are properly marked with the County identification number and “Property of” decals.

**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... annually thereafter, or oftener...”

Title 69 O.S. § 645 states in part, “The board of county commissioners shall cause each piece of county-owned, rented or leased road machinery and equipment, and each automobile and truck, to be marked in accordance with the provisions of this section.

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County-owned automobiles, trucks, road machinery and equipment shall be conspicuously and legibly marked LEASED BY (name of county) COUNTY, on each side, in upper case letters, on a background of sharply contrasting color.”

**Finding 2015-02 – Inadequate Internal Controls and Noncompliance Over Consumable Inventory**

**Condition:** The following discrepancies were noted during the verification of consumable inventory:

- Thirteen items listed on the consumable items inventory did not agree with the physical count of items.

Item	Inventory Card	Actual Count	Variance
CGSP Arch Pipe 28" x 20"	280 ft	58 ft	(222) ft
SCSP Round Pipe 30"	113 ft	110 ft	(3) ft
CGSP Round Pipe 48"	177 ft	150 ft	(27) ft
24" Double Wide Band 2x24	9 each	2 each	(7) each
36" Double Wide Band	2 each	0 each	(2) each
42" Band	1 each	0 each	(1) each
42" Double Wide Band	2 each	0 each	(2) each
48" Double Wide Band	10 each	2 each	(8) each
60" Double Wide Band	1 each	0 each	(1) each
3" x 3" x 1/4" Angle Iron	45 ft	30 ft	(15) ft
12" x 12" H Beam	100 ft	0 ft	(100) ft
3 st/ L ft Stay Put Sheeting	420 ft	336 ft	(84) ft
Channel Iron 7"	360 ft	175 ft	(185) ft

Further, a 45" Pipe Band and two 30" Double Wide Pipe Bands were not listed on the consumable items inventory, but were visually verified.

**Cause of Condition:** Procedures have not been designed and implemented to ensure compliance with the state statute and consumable inventory verifications are accurate

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**Effect of Condition:** These conditions resulted in noncompliance with state statute. When consumable inventory items are not adequately monitored, the opportunity for the misappropriation and undetected errors could result.

**Recommendation:** OSAI recommends the County Commissioner perform monthly physical verifications of consumable inventory items and document verification to provide evidence of compliance with the Title 19 O.S. § 1502 A.

**Management Response:**

**Board of County Commissioners:** District 1 will be implementing a software system in order to retain a more accurate consumable inventory. District 1 will also verify monthly the consumable inventory.

**Criteria:** 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. § 1502 A states in part, "The board of county commissioners or a designated employee shall prescribe a uniform identification system for all supplies, materials and equipment of a county used in the construction and maintenance of roads and bridges, and create and administer an inventory system for all supplies and materials of a county purchased in lots of Five Hundred Dollars (\$500.00) or more for use in the construction and maintenance of roads and bridges."





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