



WOODWARD COUNTY COMMISSIONER DISTRICT 2 TURNOVER

Statutory Report

December 29, 2020

Cindy Byrd, CPA
State Auditor & Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
RANDY JOHNSON
WOODWARD COUNTY COMMISSIONER
DISTRICT 2
DECEMBER 29, 2020**

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Cindy Byrd, CPA | State Auditor & Inspector

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February 16, 2021

BOARD OF COUNTY COMMISSIONERS
WOODWARD COUNTY COURTHOUSE
WOODWARD, OKLAHOMA 73801

Transmitted herewith is the Woodward County Officer Turnover Statutory Report for December 29, 2020. 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 "Cindy Byrd". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



Randy Johnson
Woodward County Commissioner, District 2
Woodward County Courthouse
Woodward, Oklahoma 73801

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for December 29, 2020:

- 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.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

February 1, 2021



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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2021-001 – Lack of Internal Controls and Noncompliance Over Fixed Assets

Condition: Upon inquiry, observation, and test of one hundred fifty-four (154) fixed asset items, the following weaknesses were noted:

- One (1) item was not properly marked “Property of Woodward County”.

County ID	Description	Serial Number	Amount
D2-304-204	John Deere Mowing Tractor	1PO6115DAEM052334	\$58,155.52

- One (1) item with a Declaration of Surplus and a Resolution for Disposing of Equipment was not taken off the inventory list.

County ID	Description	Serial Number	Amount
D2-307-228	Caterpillar	ON9J00354	\$203,743.00

- Two (2) items were found but did not have identifying numbers to confirm.

County ID	Description	Serial Number	Amount
D2-316-215	13 HP Engine	GCANK1315295	\$995.00
D2-420-209	13 HP Engine	GCANK1315295	\$995.00

- Five (5) items had serial numbers that were no longer visible.

County ID	Description	Serial Number	Amount
D2-321-204	Roots Snowplow	26520	\$4,818.50
D2-322-203	NAPA Air Wrench W/6" Anvil	H1010000067	\$606.26
D2-322-204	Hitachi 1/2" Drive Impact	J510890	\$2,899.00
D2-999-202	NAPA Battery Charger	98190219BT	\$369.00
D2-999-203	Battery Charger	94085909 05 M51637	\$239.00

- Three (3) items were not properly marked with a County ID.

County ID	Description	Serial Number	Amount
D2-413-219	500 Gal Fuel Tank	-	\$1,395.00
D2-413-221	500 Gal Fuel Tank-Stand; Hose	-	\$1,395.00
D2-413-223	Fuel Tank/Toolbox	-	\$1,675.00

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- Four (4) items were not found.

County ID	Description	Serial Number	Amount
D2-602-243	Motorola Radius 20 Channel	869FBC2506	\$475.00
D2-602-255	Vertex VX 2200	61061078	\$255.00
D2-602-261	Vertex 128 Channel	8F264077	\$290.00
D2-602-281	CB Radio	4B9F0901179	\$389.73

Cause of Condition: Policies and procedures have not been designed and implemented to ensure compliance with state statutes regarding the maintaining of fixed assets.

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 to accurately account for the County’s fixed assets inventory.

Recommendation: The Oklahoma State Auditor & Inspector’s Office recommends management implement internal controls to ensure compliance with state statutes. These internal controls would include maintaining an accurate inventory report, properly marking motor vehicles with “Property of Woodward County”, ensure serial numbers are visible and accurate, and properly marking equipment with a County ID number.

Management Response:

Outgoing County Commissioner: The John Deere Mowing Tractor had been previously marked on the window that had been broken. The window has been replaced but had not been remarked with the “Property of Woodward County” labels. Resolutions for surplus and disposal have been approved but the item has not been removed from the inventory list. Number had been worn away due to use. Outlying fuel tanks were delivered and assembled by the business vendor on the job site ordering County ID stickers was overlooked. Radios were unusable. They were taken to a radio shop repair man who said they were not repairable. Some parts were salvaged to repair other radios and they were not taken off the inventory list.

Criteria: The United States Government Accountability Office’s *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasigovernmental entities.

The GAO Standards – Principle 10 – Design Control Activities – 10.03 states in part:

Physical control over vulnerable assets

Management establishes physical control to secure and safeguard vulnerable assets. Examples include security for and limited access to assets such as cash, securities,

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inventories, and equipment that might be vulnerable to risk of loss or unauthorized use. Management periodically counts and compares such assets to control records.

The GAO Standards – Section 2 – Objectives of an Entity – OV2.24 states in part:

Safeguarding of Assets

Management designs an internal control system to provide reasonable assurance regarding prevention or prompt detection and correction of unauthorized acquisition, use, or disposition of an entity's assets.

Title 19 O.S. § 178.1 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.

Title 19 O.S. § 421.1(G) requires the board of county commissioners to have the authority to declare property belonging to the county to as surplus.

Title 19 O.S. § 1502(A) (1) 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) 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 69 O.S. § 645 requires all county owned, rented, or leased road machinery or equipment be clearly and visibly marked "Property Of ..."

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