



WOODWARD COUNTY COMMISSIONER DISTRICT 3 TURNOVER

Statutory Report

October 28, 2021

Cindy Byrd, CPA
State Auditor & Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
VERNIE MATT
WOODWARD COUNTY COMMISSIONER
DISTRICT 3
OCTOBER 28, 2021**

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Cindy Byrd, CPA | State Auditor & Inspector

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April 18, 2022

BOARD OF COUNTY COMMISSIONERS
WOODWARD COUNTY COURTHOUSE
WOODWARD, OKLAHOMA 73801

Transmitted herewith is the Woodward County Officer Turnover Statutory Report for October 28, 2021. 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



Vernie Matt
Woodward County Commissioner, District 3
Woodward County Courthouse
Woodward, Oklahoma 73801

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for October 20, 2021:

- Verify that equipment items on hand agree with inventory records maintained per 19 O.S. § 178.1 and 19 O.S. § 178.2.
- 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

November 2, 2021



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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2022-001 – Lack of Internal Controls and Noncompliance Over Consumable Inventories

Condition: Upon inquiry, observation, and a test of consumable inventories for District 3, the following weaknesses were noted:

- Although the District does use transfer tickets for consumable inventory records, a current consumable inventory record is not being maintained.
- The Diesel and Gas fuel logs are being maintained; however, the logs are not updated and reconciled to physical measurements on a routine basis. The following variances were noted:

Consumable Item	Consumable Quantity On Record	Consumable Quantity Measured and Verified by Auditor	Total Variance	Percent Variance
Diesel	5,279 Gallons	4,862 Gallons	(417) Gallons	8.6%
Gas	1,286 Gallons	983 Gallons	(303) Gallons	30.8%

Cause of Condition: Policies and procedures have not been designed and implemented over the County's consumable inventories to ensure compliance with state statute.

Effect of Condition: These conditions resulted in noncompliance with state statute. When consumable inventory items are not adequately safeguarded and accounted for, there is an opportunity for misappropriation and undetected errors.

Recommendation: The Oklahoma State Auditor and Inspector's office recommends management design and implement internal controls to ensure compliance with 19 O.S. § 1504(A). These controls would include:

- Performing and documenting a periodic physical count of all consumable inventory.
- Inventory records should be maintained and updated as items are received and used to reflect a current inventory balance.

Management Response:

Outgoing District 3 County Commissioner: Woodward County District 3 is currently using transfer tickets but will start a continuous inventory system for consumables where consumables are being tracked either by computer software or ledgers.

In talking with my foreman, we do not believe there was any fuel stolen. When the employees fill up in the mornings, they are to come in the shop and record the fuel amount. Sometimes, the staff are in a hurry and forget to record the fuel. The acting Commissioner is working on a better system to get more accurate record fuel usage. Each employee will have their own assigned number in order to get fuel.

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

Title 19 O.S. § 1502(A)(1) states, “The board of county commissioners or a designated employee shall:

- a. 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
- b. create and administer an inventory system for all:
 - (1) equipment of a county having an original cost of Five Hundred Dollars (\$500.00) or more for use in the construction and maintenance of roads and bridges, and
 - (2) 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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