

**ATOKA  
COUNTY  
TREASURER**

OCTOBER 30, 2009

**STATUTORY  
REPORT**



Oklahoma State Auditor  
& Inspector

**RICHARD LILLARD, COUNTY TREASURER  
ATOKA COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
OCTOBER 30, 2009**

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# STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA  
State Auditor

MICHELLE R. DAY, ESQ.  
Chief Deputy



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January 5, 2010

BOARD OF COUNTY COMMISSIONERS  
ATOKA COUNTY COURTHOUSE  
ATOKA, OKLAHOMA 74525

Transmitted herewith is the Atoka County Treasurer Statutory Report for October 30, 2009. The engagement was conducted in accordance with 74 O.S. § 212.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of our engagement.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the State to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

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Richard Lillard, County Treasurer  
Atoka County Courthouse  
Atoka, Oklahoma 74525

Dear Mr. Lillard:

For the purpose of complying with 74 O.S. § 212, we have performed the following procedures for October 30, 2009:

- Review bank reconciliations, visually verify certificates of deposit, and confirm investments.
- Determine whether subsidiary records reconcile to the general ledger.
- Review pledged collateral securing deposits and invested funds.

All information included in the bank reconciliations, the investment ledger, the subsidiary ledgers, and the general ledger is the representation of the County Treasurer.

Our county treasurer statutory engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, we do not express an opinion on any general-purpose financial statements of Atoka County.

Based on the above reconciliations, visual verification, and confirmation procedures performed, the cash and investments of the County are supported by accounting and bank records and are adequately secured to prevent loss in the event of a bank failure. With respect to the matter of segregation of duties, our finding is included in the accompanying schedule of findings and responses.

This report is intended for the information and use of the management of the County. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

November 12, 2009

**RICHARD LILLARD, COUNTY TREASURER  
ATOKA COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
OCTOBER 30, 2009**

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2010-1-Segregation of Duties**

Criteria: Accountability and stewardship are overall goals of management in accounting of funds. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization should be segregated.

Condition: The Treasurer's office has two full-time employees and one part-time employee. The Treasurer and all employees issue receipts, prepare deposits, and take deposits to the bank. The General Ledger functions, bank reconciliations, monthly reports, and posting daily report to the ledgers are prepared by the 2<sup>nd</sup> deputy. The Treasurer and all employees work from the same cash drawer.

Effect: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends management be aware of these conditions and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management's overseeing of office operations and a periodic review of operations. OSAI recommends management establish separate cash drawers for each employee that receipts monies. The cash drawers should be closed out and reconciled to the employee's daily receipts and be approved by someone independent of the cash drawer.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's finding. Management does have knowledge of office operations and will perform a periodic review of these operations.



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