

STATUTORY REPORT

BEAVER COUNTY TREASURER

April 10, 2012



*Independently serving the citizens of
Oklahoma by promoting the
accountability and fiscal integrity of
governmental funds.*



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

**MECHILLE CALHOUN, COUNTY TREASURER
BEAVER COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
APRIL 10, 2012**

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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

May 14, 2012

BOARD OF COUNTY COMMISSIONERS
BEAVER COUNTY COURTHOUSE
BEAVER, OKLAHOMA 73932

Transmitted herewith is the Beaver County Treasurer Statutory Report for April 10, 2012. The engagement was conducted in accordance with 74 O.S. § 212.

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, appearing to read "Gary A. Jones", is written over a horizontal line.

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



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Mechille Calhoun, Beaver County Treasurer
Beaver County Courthouse
Beaver, Oklahoma 73932

Dear Ms. Calhoun:

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

- Determine whether bank reconciliations are properly performed, visually verify the certificates of deposit, and confirm the investments.
- Determine whether subsidiary records are reconciled to the general ledger.
- Determine whether deposits and invested funds are secured by pledged collateral.

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 basic financial statement of Beaver County.

Based on our procedures performed, we have presented our findings in the accompanying schedule.

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.

A handwritten signature in blue ink, reading "Gary A. Jones".

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

April 12, 2012

**MECHILLE CALHOUN, COUNTY TREASURER
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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2012-1—Segregation of Duties

Condition: At the date of the initial fieldwork, the County Treasurer was absent due to illness and the remaining staff did not have knowledge of some of the town funds for which the office is responsible. One bank statement confirmation for the town of Gate could not be reconciled to the County's general ledger. A variance of less than \$3.00 was noted.

Cause of Condition: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions, could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

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

Recommendation: OSAI recommends the County Treasurer maintain adequate training of staff for the office at all times to allow key processes and/or critical functions of the office to be maintained.

Management Response: I have visited with my deputies and have trained them on the Town of Gate and Knowles' books and bank statements. I was the one responsible for this and had not shown the deputies how to reconcile the bank statements for these towns. The variance of the less than \$3.00 was an error on my part to moving the monies of the apportionment. I have given the duty of all bank statements to Anita and I will then look them over for a double check of these statements.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, key duties and responsibilities should be segregated among different individuals to reduce the risk of error or fraud. No one individual should have the ability to authorize transactions, have physical custody of funds, and record transactions.

Finding 2012-2—Updated Ledger

Condition: At the time of the review, several instances were noted in which the interest and transfers had not been posted to the investment ledger. Because the investment ledger had not been updated routinely, it did not balance with the County's General Ledger of banks and funds.

Cause of Condition: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions, could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

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

Recommendation: OSAI recommends the County Treasurer monitor the process of posting all entries of accounting records, to provide oversight of the County's assets.

Management Response: I was gone due to illness. I have taught all deputies how to do the investment ledger; therefore, in my absence, it will always be updated and match the general ledger and statements. I have also given this responsibility to Anita and will be checking it with her on a daily basis.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help insure a proper accounting of funds, interest and transfers should be posted to the subsidiary Investment ledger in a timely basis.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

2300 N. LINCOLN BOULEVARD, ROOM 100

OKLAHOMA CITY, OK 73105-4896

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