

STATUTORY REPORT

CADDO COUNTY TREASURER

November 10, 2011



*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

**STAN JENNINGS, COUNTY TREASURER
CADDO COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
NOVEMBER 10, 2011**

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Oklahoma State Auditor & Inspector

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December 12, 2011

BOARD OF COUNTY COMMISSIONERS
CADDO COUNTY COURTHOUSE
ANADARKO, OKLAHOMA 73005

Transmitted herewith is the Caddo County Treasurer Statutory Report for November 10, 2011. 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, reading "Gary A. Jones".

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



Oklahoma State Auditor & Inspector

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Stan Jennings, Caddo County Treasurer
Caddo County Courthouse
Anadarko, Oklahoma 73005

Dear Mr. Jennings:

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 general-purpose financial statements of the 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.

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

November 14, 2011

**STAN JENNINGS, COUNTY TREASURER
CADDO COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
NOVEMBER 10, 2011**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2012-1—Segregation of Duties

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.

Condition: Although the County Treasurer has six deputies, duties are not formally segregated in the areas of receipting, posting, and depositing daily collections. The Treasurer has one change drawer from which he and all deputies make change. One deputy at monthly intervals may be responsible for receiving, receipting and depositing money.

Effect: 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.

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 provide segregation of duties so that no one employee is able to perform all accounting functions. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office, and having management review and approval of accounting functions.

Management Response: We, the Caddo County Treasurer's Office, have made it our goal to achieve a fair and equal segregation of duties, so one deputy will not be totally responsible for a series of duties.

It is management's goal to oversee each operation of the office, to reduce the risk of any employee being responsible for only one area of transactions.



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