



# CANADIAN COUNTY TREASURER

## Statutory Report

January 31, 2020

**Cindy Byrd, CPA**  
State Auditor & Inspector

**CAROLYN LECK, COUNTY TREASURER  
CANADIAN COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
JANUARY 31, 2020**

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This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 74 O.S. § 212, has not been printed, but is available on the agency's website ([www.sai.ok.gov](http://www.sai.ok.gov)) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



Cindy Byrd, CPA | State Auditor & Inspector

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April 7, 2020

BOARD OF COUNTY COMMISSIONERS  
CANADIAN COUNTY COURTHOUSE  
EL RENO, OKLAHOMA 73036

Transmitted herewith is the Canadian County Treasurer Statutory Report for January 31, 2020. 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 that reads "Cindy Byrd".

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR



Carolyn Leck, Canadian County Treasurer  
Canadian County Courthouse  
El Reno, Oklahoma 73036

Dear Ms. Leck:

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 Canadian County.

Based on our procedures performed, we have presented our finding 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.



CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

February 24, 2020



## SCHEDULE OF FINDINGS AND RESPONSES

### **Finding 2020-002 – Lack of Internal Controls and Noncompliance Over Pledged Collateral**

**Condition:** Upon inquiry of the County Treasurer, observation, and review of documentation regarding the pledged collateral process, the following was noted:

- At January 31, 2020, the County’s deposits were not secured by pledged collateral in two (2) banks in the amount of \$1,176,536.06.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure that bank deposits are adequately secured.

**Effect of Condition:** This condition resulted in noncompliance with state statute and unsecured county funds. Further, this condition could result in possible loss of county funds.

**Recommendation:** The Oklahoma State Auditor and Inspector’s Office recommends that the County Treasurer ensure all funds are secured by pledged securities or letters of credit with each bank in accordance with state statute.

#### **Management Response:**

**County Treasurer:** This issue has been rectified with the two banks.

**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:

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 62 O.S. § 517.4.A. states, “A treasurer of a public entity shall require that financial institutions deposit collateral securities or instruments to secure the deposits of the public entity in each such institution. The amount of collateral securities or instruments to be pledged for the security of public deposits shall be established by the treasurer of the public entity consistent with the provisions of the Security for Local Public Deposits Act; provided, such amount shall not be less than the amount of the deposit to be secured, less the amount insured.”

O·K·L·A·H·O·M·A  
S·A·I  
STATE AUDITOR & INSPECTOR



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