

STATUTORY REPORT

CIMARRON COUNTY TREASURER

August 9, 2013



*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

**JENNY RICHARDSON, COUNTY TREASURER
CIMARRON COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
AUGUST 9, 2013**

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Oklahoma State Auditor & Inspector

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September 3, 2013

BOARD OF COUNTY COMMISSIONERS
CIMARRON COUNTY COURTHOUSE
BOISE CITY, OKLAHOMA 73933

Transmitted herewith is the Cimarron County Treasurer Statutory Report for August 9, 2013. 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 "Gary A. Jones".

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



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Jenny Richardson, Cimarron County Treasurer
Cimarron County Courthouse
Boise City, Oklahoma 73933

Dear Ms. Richardson:

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 Cimarron 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, appearing to read "Gary A. Jones".

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

August 12, 2013

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2014-1— Segregation of Duties

Condition: The County Treasurer's office has one Deputy. The Treasurer cannot completely segregate the duties of receipting, posting, and depositing daily collections. The Deputy performs the majority of the receipting and balancing, for the depository account. The Treasurer prepares the deposit for the depository account. Both the Treasurer and the Deputy receipt ad valorem monies. The Deputy prepares the deposit for the general account. The Deputy takes the money to be deposited for both accounts to the bank. On days when one person is out of the office, the remaining person completes the entire process of receipting, balancing and depositing all monies received for the day. The Treasurer has initiated review of documents to mitigate the limited segregation of duties; however, both the Treasurer and the Deputy work from the same cash drawer.

Cause of Condition: The office has limited funds for additional staffing of the office.

Effect of Condition: 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 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 approve accounting functions.

Management Response: I am aware that with only two employees, it is not possible to segregate all the duties that must be performed in my office on a daily basis. I will continue to oversee and review all operations to the best of my ability. I believe that I was elected to office by the citizens of Cimarron County, because of their trust in my ability to manage the office and serve the people as they expect to be served. I will not refuse payment of taxes because I am the only employee in the office at the time. My Deputy and I both have to be out of the office occasionally, and we both have to receipt monies. I will continue to work together with my Deputy to eliminate any undetected errors or misappropriation of funds.

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.



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