

STATUTORY REPORT

CIMARRON COUNTY TREASURER

January 20, 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

**JENNY RICHARDSON, COUNTY TREASURER
CIMARRON COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
JANUARY 20, 2012**

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Oklahoma State Auditor & Inspector

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February 6, 2012

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

Transmitted herewith is the Cimarron County Treasurer Statutory Report for January 20, 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 that reads "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

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 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.

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

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

January 23, 2012

**JENNY RICHARDSON, COUNTY TREASURER
CIMARRON COUNTY, OKLAHOMA
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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, the duties of receiving, receipting, recording, and depositing cash and checks should be segregated.

Condition: The County Treasurer's office has one full-time deputy. The County Treasurer and the deputy issue receipts, endorse checks, and post to the general ledger. The County Treasurer has one cash drawer, from which both the County Treasurer and the deputy make change. The County Treasurer typically picks up the mail, distributes it to the deputy and prepares and makes the deposit daily. Due to the limited number of individuals working in the office, a proper segregation of duties is not present.

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.

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.

I am considering establishing separate cash drawers, but need to acquire sufficient evidence to determine if this would be beneficial in managing the internal controls of my office.



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