

STATUTORY REPORT

COAL COUNTY TREASURER

May 31, 2013



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

**GINA McNUTT, COUNTY TREASURER
COAL COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
MAY 31, 2013**

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Oklahoma State Auditor & Inspector

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October 17, 2013

BOARD OF COUNTY COMMISSIONERS
COAL COUNTY COURTHOUSE
COALGATE, OKLAHOMA 74538

Transmitted herewith is the Coal County Treasurer Statutory Report for May 31, 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, appearing to read "Gary A. Jones".

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



Oklahoma State Auditor & Inspector

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Gina McNutt, Coal County Treasurer
Coal County Courthouse
Coalgate, Oklahoma 74538

Dear Ms. McNutt:

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 Coal 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

June 11, 2013

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2013-1 – Segregation of Duties

Condition: The Treasurer has implemented some controls regarding the collection process. However, some duties have not been adequately segregated. We noted the following weaknesses:

- All employees work from the same cash register.
- Bank reconciliations are performed by the same employee that receipts money.
- The cash register is reconciled by the same employee that works from the cash register.

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

Cause of Condition: Procedures have not been designed to adequately segregate the duties over the collection process.

Recommendation: OSAI recommends management implement procedures to provide a proper segregation of duties over the collection process. The employees issuing receipts should not be performing bookkeeping / reconciling functions of the office. Further, all employees should not be working out of the same cash register.

Management Response: There are only two full time employees, me and my first deputy. We both receipt money when it comes in, depending on who is not busy at the time. We both work out of the two cash registers. We both close them out at the end of the day and balance to the reports. It is difficult to segregate duties with a limited number of employees, but we take the necessary steps to make sure it is done properly.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help insure a proper accounting of funds, the duties of receipting collections, delivering deposits, and maintaining financial ledgers/reconciliations should be segregated.



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