

STATUTORY REPORT

DEWEY COUNTY TREASURER

July 21, 2014



*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

**DUSTY FOX, COUNTY TREASURER
DEWEY COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
JULY 21, 2014**

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Oklahoma State Auditor & Inspector

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August 15, 2014

BOARD OF COUNTY COMMISSIONERS
DEWEY COUNTY COURTHOUSE
TALOGA, OKLAHOMA 73667

Transmitted herewith is the Dewey County Treasurer Statutory Report for July 21, 2014. 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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Dusty Fox, Dewey County Treasurer
Dewey County Courthouse
Taloga, Oklahoma 73667

Dear Ms Fox:

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 Dewey 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 that reads "Gary A. Jones".

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

July 24, 2014

SCHEDULE OF FINDINGS AND RESPONSES

Finding- 2013-1—Segregation of Duties

Condition: The County Treasurer’s office has one full-time deputy and one part-time deputy. The Treasurer has made an attempt to segregate the duties of receipting, posting, and depositing daily collections; however, in the absence of the deputy, the same person may collect funds, issue receipts, perform reconciliations on collections, and prepare deposits. When possible, the deposits are prepared by one deputy and reviewed by the other deputy.

Cause of Condition: The office is limited in the number of employees for the office and training is ongoing for the new deputy to be proficient in all duties of the office which has some limited effects on segregation.

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

Recommendation: The Oklahoma State Auditor & Inspector’s Office (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:

County Treasurer: We are aware of the conditions regarding segregation of duties. There are a limited number of individuals to divide the responsibilities of the accounting procedures.

We have now implemented controls to restrict one individual from performing the task of collecting monies, depositing, and input of data for the Daily Report and General Ledger system. Furthermore, each document is signed and dated by the employee that prepares it. The County Treasurer reviews the tasks performed by the deputies and also signs and initials each report produced by the deputies.

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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