



# GRADY COUNTY TREASURER

## Statutory Report

July 31, 2023

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

**ROBIN BURTON, COUNTY TREASURER  
GRADY COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
JULY 31, 2023**

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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.



November 9, 2023

BOARD OF COUNTY COMMISSIONERS  
GRADY COUNTY COURTHOUSE  
CHICKASHA, OKLAHOMA 73018

Transmitted herewith is the Grady County Treasurer Statutory Report for July 31, 2023. 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



Robin Burton, Grady County Treasurer  
Grady County Courthouse  
Chickasha, Oklahoma 73018

Dear Ms. Burton:

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 Grady 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.

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

October 13, 2023

**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2024-001 - Lack of Internal Controls and Noncompliance Over Pledged Collateral**

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

- On July 31, 2023, the County’s deposits were not secured by pledged collateral at a local bank in the amount of \$375,123.

**Cause of Condition:** Internal controls have not been designed and implemented by the County Treasurer to show the performance of daily security monitoring and that the process is performed and reviewed by separate individuals. The County Treasurer should ensure that bank deposits are adequately secured.

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

**Recommendation:** The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends that the County Treasurer design procedures to compare bank balances to the fair market value of pledged collateral on a daily basis to ensure that county funds are adequately secured and that the County is in compliance with 62 O.S. § 517.4.A. Documentation for this daily procedure should be maintained.

**Management Response:**

**County Treasurer:** I will ensure documentation is maintained to show the daily monitoring of pledged collateral and I will ensure all documents are signed and dated by both the individuals performing the work and performing the review.

**Criteria:** The GAO Standards – Principle 10 – Design Control Activities – 10.03 states in part:

*Segregation of duties*

Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.

Additionally, Principle 16 – Perform Monitoring Activities: 16.05 states in part:

*Internal Control System Monitoring*

Management performs ongoing monitoring of the design and operating effectiveness of the internal control system as part of the normal course of operations. Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations and other routine actions.

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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



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

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