

STATUTORY REPORT

GRANT COUNTY TREASURER

May 5, 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

**PENNY DOWELL, COUNTY TREASURER
GRANT COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
MAY 5, 2014**

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Oklahoma State Auditor & Inspector

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May 23, 2014

BOARD OF COUNTY COMMISSIONERS
GRANT COUNTY COURTHOUSE
MEDFORD, OKLAHOMA 73759

Transmitted herewith is the Grant County Treasurer Statutory Report for May 5, 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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Penny Dowell, Grant County Treasurer
Grant County Courthouse
Medford, Oklahoma 73759

Dear Ms. Dowell:

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 Grant 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.

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

May 6, 2014

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2014-1—Inadequate Internal Controls Over Treasurer Collections Process

Condition: The County Treasurer's office strives for segregation of duties; however, the duties of the two deputies and the County Treasurer are not formally segregated. The duties of receipting, posting, and depositing daily collections may be performed by one employee.

Cause of Condition: Procedures with regard to segregating the duties over the collection process within the office of the County Treasurer have not been designed and implemented.

Effect of Condition: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

Recommendation: OSAI recommends management be aware of these conditions and realize that a concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective procedures 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 procedures to mitigate the risks involved with a concentration of duties. Compensating procedures would include separating key processes and/or critical functions of the office, and having management review and approval of accounting functions.

Management Response: The deputies are instructed to monitor and review each other's work. It is my goal to implement segregation of duties in the best possible manner available for an office our size, while still maintaining a cross trained staff that better serves the taxpayer.

Criteria: Effective internal controls require that key functions within a process be adequately segregated to allow for prevention and detection of errors and possible misappropriation of funds.



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