

STATUTORY REPORT

# GREER COUNTY TREASURER

September 11, 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

**DONNA BULL, COUNTY TREASURER  
GREER COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
SEPTEMBER 11, 2012**

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# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

September 17, 2012

BOARD OF COUNTY COMMISSIONERS  
GREER COUNTY COURTHOUSE  
MANGUM, OKLAHOMA 73554

Transmitted herewith is the Greer County Treasurer Statutory Report for September 11, 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".

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



# Oklahoma State Auditor & Inspector

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Donna Bull, Greer County Treasurer  
Greer County Courthouse  
Mangum, Oklahoma 73554

Dear Ms. Bull:

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 Greer 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

September 12, 2012

**DONNA BULL, COUNTY TREASURER  
GREER COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
SEPTEMBER 11, 2012**

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2013-1—Segregation of Duties (Repeat Finding)**

**Condition:** The County Treasurer's office has one full-time deputy and one seasonal part-time deputy. The Treasurer does not formally segregate the duties of receipting, posting, and depositing daily collections. The County Treasurer has one change drawer from which she and all deputies make change. One person may be responsible for receiving, receipting and depositing money, and reconciling bank statements.

**Cause of Condition:** Policies and procedures have not been designed and implemented to effectively segregate the duties of receipting, depositing, and posting collections. The limited number of employees makes this process more challenging than in an office with at least three full-time employees.

**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 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:** With only two of us in the office, we try to split the duties and check each others' work. Sometimes, it is impossible to segregate all duties and responsibilities.

**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.

**DONNA BULL, COUNTY TREASURER  
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**Finding 2013-2—Inadequate Pledged Securities to Cover Deposits**

**Condition:** The County was inadequately pledged \$107,354.75 with Great Plains National Bank on the audit date of September 12, 2012.

**Cause of Condition:** One of the County Treasurer's duties is to ensure the pledged securities are adequate to cover daily balances on hand with the custodial banks. The bank would not acknowledge the sales tax monies as county funds and did not include them in the total securities to pledge for the County.

**Effect of Condition:** Because of the condition mentioned, with the bank not recognizing the funds as county funds, the County's funds in the bank were not adequately covered by pledged securities.

**Recommendation:** OSAI recommends management be aware of these conditions and realize that additional procedures should be developed to ensure that daily balances of funds on deposit with the custodial banks are monitored for adequate pledged securities.

**Management Response:** Now, after being made aware of the condition, pledges with the bank will be routinely monitored for adequate coverage.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. As part of that accountability, the County Treasurer is to safeguard the County's assets by monitoring and obtaining adequate pledged securities for the County's funds.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

2300 N. LINCOLN BOULEVARD, ROOM 100

OKLAHOMA CITY, OK 73105-4896

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