



# HASKELL COUNTY TREASURER

## Statutory Report

October 31, 2024

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

**HOLLY HINTON, COUNTY TREASURER  
HASKELL COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
OCTOBER 31, 2024**

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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.



**OKLAHOMA**  
Office of the State Auditor & Inspector

Cindy Byrd, CPA | State Auditor & Inspector

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February 18, 2025

BOARD OF COUNTY COMMISSIONERS  
HASKELL COUNTY COURTHOUSE  
STIGLER, OKLAHOMA 74462

Transmitted herewith is the Haskell County Treasurer Statutory Report for October 31, 2024. 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,

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR



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Holly Hinton, Haskell County Treasurer  
Haskell County Courthouse  
Stigler, Oklahoma 74462

Dear Ms. Hinton:

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 Haskell 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

February 12, 2025

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2025-001 – Lack of Internal Controls Over the County Treasurer’s Collection and Reconciliation Processes**

**Condition:** The County Treasurer does not have an adequate segregation of duties to ensure that duties assigned to individuals are done so in a manner that would not allow one individual to control both the recording function and the procedures relative to processing a transaction.

**Receipting Process:**

- All employees work from the same cash drawer.
- Bank deposit receipts are not reviewed by someone other than the person making the deposit.

**Reconciliation Process:**

- There is no evidence of review of bank deposits by someone other than the preparer.
- Voided receipt reports (where receipts are voided) do not indicate a signature of a monthly review.

**Cause of Condition:** Policies and procedures have not been designed and implemented to adequately segregate the duties of the receipting and reconciliation process within the office of the County Treasurer.

**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, undetected errors, or misappropriation of funds.

**Recommendation:** The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends that policies and procedures be designed and implemented to separate key functions of the receipting and reconciliation processes. If a segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risk 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:** Going forward I will implement a segregation of duties process with the cash drawer, so all employees are no longer working out of the same drawer. Additionally, all bank deposit slips and receipts will have a reviewer that is not the preparer or the person taking the deposit to the bank. Furthermore, it has been discussed with my staff where reconciling reports are located and all the reports will have two signatures, the preparer, and the reviewer. Starting January, I will be printing the voided receipt report and reviewing.

**Criteria:** The United States Government Accountability Office’s *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as

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best practices and may be applied as a framework for an internal control system for state, local, and quasi-governmental entities.

The GAO Standards – Principle 10 – Design Control Activities – 10.03 states 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 10 - Segregation of Duties states:

10.12 – Management considers segregation of duties in designing control activity responsibilities so that incompatible duties are segregated and, where such segregation is not practical, designs alternative control activities to address the risk.

10.13 – Segregation of duties helps prevent fraud, waste, and abuse in the internal control system. Management considers the need to separate control activities related to authority, custody, and accounting of operations to achieve adequate segregation of duties. In particular, segregation of duties can address the risk of management override. Management override circumvents existing control activities and increases fraud risk. Management addresses this risk through segregation of duties, but cannot absolutely prevent it because of the risk of collusion, where two or more employees act together to commit fraud.

10.14 – If segregation of duties is not practical within an operational process because of limited personnel or other factors, management designs alternative control activities to address the risk of fraud, waste, or abuse in the operational process.

**Finding 2025-003 - Lack of Internal Controls Over General Ledger**

**Condition:** Upon inquiry and review of confirmations sent to financial institutions for the County's investments on October 31, 2024, we noted a variance of \$94,998.13 between the investment balance at the financial institution and the general ledger. This resulted in the County's general ledger being misstated due to the interest earned on the investment not being updated timely.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure investment balances are accurately presented on the general ledger.

**Effect of Condition:** This condition resulted in unrecorded transactions, misstated financial reports, and undetected errors.

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**Recommendation:** OSAI recommends policies and procedures be designed and implemented to ensure the County's general ledger is updated to properly reflect the balance at the financial institution.

**Management Response:**

**County Treasurer:** Going forward my office will reconcile all accounts and investments monthly. Additionally, I am in the process of creating an investment ledger that will depict all investment balances.

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

*Accurate and timely recording of transactions*

Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded.



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