



HASKELL COUNTY TREASURER

Statutory Report

February 26, 2021

Cindy Byrd, CPA
State Auditor & Inspector

**GAYLA ORR, COUNTY TREASURER
HASKELL COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
FEBRUARY 26, 2021**

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Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov

June 7, 2021

BOARD OF COUNTY COMMISSIONERS
HASKELL COUNTY COURTHOUSE
STIGLER, OKLAHOMA 74462

Transmitted herewith is the Haskell County Treasurer Statutory Report for February 26, 2021. 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". The signature is written in a cursive, flowing style.

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



Gayla Orr, Haskell County Treasurer
Haskell County Courthouse
Stigler, Oklahoma 74462

Dear Ms. Orr:

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

April 13, 2021



SCHEDULE OF FINDINGS AND RESPONSES

Finding 2021-002 – Lack of Internal Controls Over Pledged Collateral and Noncompliance with State Statute

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

- At February 26, 2021, the County’s deposits were not secured by pledged collateral at a local bank in the amount of \$158,880.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure that bank deposits are adequately secured.

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

Recommendation: OSAI recommends that the County Treasurer design procedures to compare all 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. Documentation for this daily procedure should be maintained.

Management Response:

County Treasurer: It was my understanding that each of the two certificates of deposits at the Bank had \$250,000 in FDIC, but when the auditors found I did not have enough collateral, I contacted the bank and discovered that the FDIC coverage is per entity rather than per certificate of deposit. I now have obtained enough pledged collateral as of April 16, 2021.

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

GAO Standards states in part:

OV2.23 Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

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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.”

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