

STATUTORY REPORT

# KIOWA COUNTY TREASURER

April 25, 2011



*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

**DEANNA MILLER, COUNTY TREASURER  
KIOWA COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
APRIL 25, 2011**

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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

May 16, 2011

BOARD OF COUNTY COMMISSIONERS  
KIOWA COUNTY COURTHOUSE  
HOBART, OKLAHOMA 73651

Transmitted herewith is the Kiowa County Treasurer Statutory Report for April 25, 2011. The engagement was conducted in accordance with 74 O.S. § 212.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of our engagement.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the State to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

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



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Deanna Miller, County Treasurer  
Kiowa County Courthouse  
Hobart, Oklahoma 73651

Dear Ms. Miller:

For the purpose of complying with 74 O.S. § 212, we have performed the following procedures for April 25, 2011:

- Review bank reconciliations, visually verify certificates of deposit, and confirm investments.
- Determine whether subsidiary records reconcile to the general ledger.
- Review pledged collateral securing deposits and invested funds.

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 general-purpose financial statements of Kiowa County.

Based on the above bank reconciliations, visual verification, and confirmation procedures performed, cash and investments of the County are supported by accounting and bank records and are adequately secured to prevent loss in the event of a bank failure. However, in performing the procedures, we noted a matter of segregation of duties, and our finding is presented in the accompanying schedule of findings and responses.

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.

Sincerely,

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

April 26, 2011

**DEANNA MILLER, COUNTY TREASURER  
KIOWA COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2011-1—Segregation of Duties**

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. Effective internal controls include depositing funds collected on a daily basis.

Condition: The County Treasurer has two full-time deputies; however, the County Treasurer performs the duties of preparing the daily report, preparing the general ledger and preparing the monthly apportionment ledger. The Treasurer reconciles three bank statements and a deputy reconciles the official depository bank statement. Reconciliations are not approved by someone other than the preparer. All deputies work from one cash drawer, which is balanced by the Treasurer.

Effect: 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 approval of accounting functions.

Views of responsible officials and planned corrective actions: We all proof each other and initial that we have. Not one person does anything in this office without second proof. All reconciliations are approved by someone other than the preparer. I am also in the process of setting up more software by TM Consulting that should help in single entry. Daily, General, and monthly will be entered and filed from all of us. We all audit ourselves, and try to catch any human error at a timely manner. I am a working Treasurer due to lack of funds for more employees.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

2300 N. LINCOLN BOULEVARD, ROOM 100

OKLAHOMA CITY, OK 73105-4896

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