

STATUTORY REPORT

MARSHALL COUNTY TREASURER

February 28, 2013



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

**LAURA LARKIN, COUNTY TREASURER
MARSHALL COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
FEBRUARY 28, 2013**

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Oklahoma State Auditor & Inspector

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July 12, 2013

BOARD OF COUNTY COMMISSIONERS
MARSHALL COUNTY COURTHOUSE
MADILL, OKLAHOMA 73446

Transmitted herewith is the Marshall County Treasurer Statutory Report for February 28, 2013. 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



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Laura Larkin, Marshall County Treasurer
Marshall County Courthouse
Madill, Oklahoma 73446

Dear Ms. Larkin:

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 Marshall 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

March 21, 2013

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2013-1—Segregation of Duties

Condition: We noted the following weaknesses in the collections process within the Treasurer's Office:

- All employees are able to write receipts, delete or void receipts, and take deposits to the banks.
- The person reconciling the statements can also write receipt and void receipts.

Cause of Condition: Procedures have not been designed to adequately segregate the duties over the collections process.

Effect of Condition: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends management implement procedures to provide a proper segregation of duties over the collections process. The employees issuing receipts should not have security levels within the IT system to void or delete receipts. Also, an employee who performs the bookkeeping/reconciling function of the office should not also issue receipts.

Management Response: Our County is small enough that we all have to be able to do receipts and deposits. We may on a rare occasion have to void or delete a receipt but that's not very often. If I make a mistake the way our program is set up each person has to correct their own mistakes to balance their draw. At the end of the day the head bookkeeper and the Treasurer check everything that has been done that day. The Treasurer takes the deposit to the bank unless she is gone for the day.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, the duties of receipting collections, delivering deposit, and maintaining financial ledgers/reconciliations should be segregated.



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