

STATUTORY REPORT

McCLAIN COUNTY TREASURER

December 31, 2012



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

**TERESA JONES, COUNTY TREASURER
MCCLAIN COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
DECEMBER 31, 2012**

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Oklahoma State Auditor & Inspector

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July 12, 2013

BOARD OF COUNTY COMMISSIONERS
MCCLAIN COUNTY COURTHOUSE
PURCELL, OKLAHOMA 73080

Transmitted herewith is the McClain County Treasurer Statutory Report for December 31, 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, appearing to read "Gary A. Jones".

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



Oklahoma State Auditor & Inspector

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Teresa Jones, McClain County Treasurer
McClain County Courthouse
Purcell, Oklahoma 73080

Dear Ms. Jones:

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 McClain 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.

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

January 16, 2013

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2013-1—Segregation of Duties

Condition: A lack of segregation of duties exists in the Treasurer’s Office because all deputies can open mail, write receipts, balance cash drawers, prepare deposits, post receipts, reconcile accounts with the bank, and prepare, sign, and distribute vouchers.

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

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

Recommendation: OSAI recommends management provide segregation of duties so that no one employee is able to perform all accounting functions.

Management Response: We try very hard to segregate duties. It’s difficult when there are only two deputies and myself in the office. There are times such as lunch hours, vacations, or when someone is out sick it is impossible to totally segregate duties.

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 receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization should be segregated.



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