

STATUTORY REPORT

MCINTOSH COUNTY TREASURER

March 29, 2013



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

**CAROL LINDLEY, COUNTY TREASURER
MCINTOSH COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
MARCH 29, 2013**

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) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to 74 O.S. § 3105.B.



Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

August 16, 2013

BOARD OF COUNTY COMMISSIONERS
MCINTOSH COUNTY COURTHOUSE
EUFAULA, OKLAHOMA 74432

Transmitted herewith is the McIntosh County Treasurer Statutory Report for March 29, 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, appearing to read "Gary A. Jones".

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



Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

Carol Lindley, McIntosh County Treasurer
McIntosh County Courthouse
Eufaula, Oklahoma 74432

Dear Ms. Lindley:

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 McIntosh 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

April 15, 2013

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2013-1—Segregation of Duties

Condition: The County Treasurer has segregated the duties of preparing/reviewing deposits and performing bank reconciliations; however, the employees who perform these duties also issue receipts. In addition, all employees work from the same cash drawer. For mail-in payments, all employees can open the mail and issue receipts. A daily mail log is not maintained.

Cause of Condition: In order to provide prompt services to the citizens of McIntosh County and for ease of operations, the County Treasurer's office utilize all employees to issue receipts. Additionally, due to the limited number of personnel, one individual is sometimes responsible for all the key functions of the office.

Effect of Condition: A single person having responsibility for more than one are 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: The Oklahoma State Auditor & Inspector (OSAI) recommends the following key accounting functions of the Treasurer's office be adequately segregated:

- Issuing receipts.
- Preparing/reviewing deposits and taking them to the bank.
- Maintaining accounting ledgers and reconciling bank statements.

In addition OSAI recommends establishing a system of controls to adequately protect the collections of the Treasurer's office, which include but are not limited to the following:

- Establish separate cash drawers for all employees receiving cash.
- A daily log of mailed in receipts should be compiled.

Management Response: We have to have everyone at some time or another, make out a receipt, or we would never get it all done. The above recommendation of separate cash drawers has been discussed, but due to the number of personnel it takes to wait on all of our customers in an efficient way, we haven't been able to implement 5 to 8 cash drawers. Depending on the time of the year, and it would take one person over a day to log all the mail we receive during tax collection and we don't feel it cost effective for our taxpayers to foot the bill.

Criteria: Effective internal controls require that key functions within a process be adequately segregated to allow for prevention and detection of errors and possible misappropriation of funds.



OFFICE OF THE STATE AUDITOR & INSPECTOR
2300 N. LINCOLN BOULEVARD, ROOM 100
OKLAHOMA CITY, OK 73105-4896

WWW.SAI.OK.GOV