

**PAWNEE
COUNTY
TREASURER
TURNOVER**

DECEMBER 31, 2008

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**COUNTY OFFICER TURNOVER STATUTORY REPORT
ANITA HARRIS
PAWNEE COUNTY TREASURER
DECEMBER 31, 2008**

This publication is printed and issued by the State Auditor and Inspector as authorized by 19 O.S. § 171. Pursuant to 74 O.S. § 3105.B, seven copies have been prepared and distributed at a cost of \$15.32. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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March 18, 2009

BOARD OF COUNTY COMMISSIONERS
PAWNEE COUNTY COURTHOUSE
PAWNEE, OKLAHOMA 74058

Transmitted herewith is the Pawnee County Treasurer, Officer Turnover Statutory Report for December 31, 2008. The engagement was conducted in accordance with 19 O.S. § 171.

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 "Steve Burrage". The signature is written in a cursive, flowing style.

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

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Anita Harris
Pawnee County Treasurer
Pawnee County Courthouse
Pawnee, Oklahoma 74058

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for December 31, 2008.

- Verify that equipment items on hand agree with inventory records as per 19 O.S. §178.1.
- Verify that the amount of total claims approved for the operation of said Office is not in excess of limitations imposed by 19 O.S. §347.
- Verify that the Office is not exceeding the maximum amount of cash authorized for their change needs per 19 O.S. §682.
- Verify that a monthly report of the Office is on file with the County Clerk per 19 O.S. §684.
- Verify that the pledged collateral is sufficient to secure funds deposited and invested as per 62 O.S. §517.4.

Information addressed in this report is the representation of the respective county officers.

Our county officer turnover engagement was limited to the statutory procedures described above and was less in scope than an examination or audit performed in accordance with auditing standards generally accepted in the United States of America, the objective of which would be the expression of an opinion. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Based on our procedures performed, the amount of total claims approved for the operation of said Office were not in excess of limitations; the Office was not exceeding the amount of cash authorized for their change needs; and a monthly report of the Office was on file with the County Clerk. With respect to equipment items on hand agreeing with inventory records, segregation of duties, and adequate pledged collateral, our findings are included in the accompanying schedule of findings and responses.

This report is intended solely for the information and use of the management of the County and should not be used for any other purpose. This report is also a public document pursuant to the Oklahoma Open Records Act (51 O.S., section 24A.1 et seq.), and shall be open to any person for inspection and copying.



STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

January 8, 2009

**COUNTY OFFICER TURNOVER STATUTORY REPORT
ANITA HARRIS
PAWNEE COUNTY TREASURER
DECEMBER 31, 2008**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2009-1—Inventory Records

Criteria: Title 19 O.S. § 178.1 states, "The board of county commissioners in each county of this state shall take, or cause to be taken, an inventory of all working tools, apparatus, machinery and equipment belonging to the county or leased or otherwise let to it or to any department thereof, other than that which is affixed to and made a part of lands and buildings, the cost of which as to each complete working unit thereof is more than Five Hundred Dollars (\$500.00), and thereafter maintain or cause to be maintained a continuous inventory record... biennially thereafter, or oftener..."

Condition: The Pawnee County Treasurer did not have an up-to-date inventory of all fixed assets in excess of \$500.00. In addition, a current inventory was not on file with the Pawnee County Clerk.

Effect: Inventory items were not accurately accounted for and the County's assets may not be safeguarded.

Recommendation: OSAI recommends equipment inventory information be periodically reviewed, reconciled, and updated to detect errors and to maintain an accurate inventory record. Further, OSAI recommends the inventory record be filed with the County Clerk.

Views of responsible officials: New management is working to correct this issue.

Finding 2009-2—Segregation of Duties

Criteria: Accountability and stewardship are overall goals in evaluating management's 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.

Condition: Based on inquiries of County personnel and testwork performed, it was noted that receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization within the Treasurer's office were not properly segregated to assure adequate internal control structure.

Effect: This condition could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of assets.

Recommendation: OSAI recommends management be aware of these conditions and realize the 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 knowledge of office operations and a periodic review of operations.

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Views of responsible officials: New management has knowledge of office operations and will perform periodic reviews of these operations.

Finding 2009-3—Pledged Collateral

Criteria: 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."

Title 62 O.S. § 517.4.C. states, "Securities eligible for collateral shall be valued at market value. The treasurer shall review and determine the market value of collateral pledged for security not less than quarterly. The market value of pledged securities shall be provided to the treasurer by either the financial institution holding the deposit or the financial institution holding the collateral securities, which market value must have been obtained from an independent, recognized and documented source. The State Treasurer shall promulgate rules to provide for the valuation of collateral if the market value is not readily determinable. The State Treasurer shall prescribe reporting requirements and forms for financial institutions to list collateral securities pursuant to this section."

Condition: We noted the amounts of the collateral securities per the County did not match the amount of collateral securities held by the bank. We also noted the collateral for determining if the County is properly pledged is not valued at market value.

Effect: These conditions could result in the County being under-collateralized and possible loss of county funds.

Recommendation: OSAI recommends management compare the amount of collateral securities per the books to the amount as noted by the bank. In addition, the securities should be valued at market value and reviewed not less than quarterly.

Views of responsible officials: New management will implement procedures to ensure corrective action is taken.



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