

STATUTORY REPORT

# SEMINOLE COUNTY TREASURER

March 29, 2013



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

**LISA TURPIN, COUNTY TREASURER  
SEMINOLE COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
MARCH 29, 2013**

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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

August 20, 2013

BOARD OF COUNTY COMMISSIONERS  
SEMINOLE COUNTY COURTHOUSE  
WEWOKA, OKLAHOMA 74884

Transmitted herewith is the Seminole 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 that reads "Gary A. Jones".

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



# Oklahoma State Auditor & Inspector

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Lisa Turpin, Seminole County Treasurer  
Seminole County Courthouse  
Wewoka, Oklahoma 74884

Dear Ms. Turpin:

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 Seminole 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 10, 2013

## **SCHEDULE OF FINDINGS AND RESPONSES**

### **Finding 2013-1—Subsidiary Ledgers**

**Condition:** The following exception was noted:

- Reconciliation was not performed between the general ledger and vo-tech ledger. An unidentified variance of \$24,292.55 was noted.

**Cause of Condition:** Procedures have not been designed to monitor subsidiary accounts to the general ledger.

**Effect of Condition:** This condition could result in incomplete and inaccurate amounts being reported on the general and subsidiary ledgers.

**Recommendation:** The Oklahoma State Auditor & Inspector's Office (OSAI) recommends that the official depository, municipal, and school subsidiary ledgers be maintained and reconciled to the general ledger on a monthly basis.

**Management Response:** We do maintain and reconcile the Official Depository, municipals and schools to the general ledger. We will start keeping a vo-tech subsidiary ledger to reconcile with our general ledger.

**Criteria:** Safeguarding controls are an aspect of internal control. Safeguarding controls relate to the prevention or timely detection of unauthorized transactions and unauthorized access to assets. Failure to perform tasks that are part of internal controls, such as maintaining subsidiary ledgers and reconciling them to the general ledger, are deficiencies in internal control.

### **Finding 2013-2—Segregation of Duties**

**Condition:** There is not an adequate segregation of duties within the Treasurer's office. All of the County Treasurer's deputies can issue receipts and void receipts. One deputy performs the duties of issuing receipts, issuing vouchers, delivering deposits to the bank, and performing recordkeeping functions.

**Cause of Condition:** Procedures have not been designed adequately segregate the duties in the County Treasurer's office.

**Effect of Condition:** A single person having responsibility for more than one area of recording, authorizing, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, undetected errors, and misappropriation of funds.

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**Recommendation:** OSAI recommends that 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 segregate 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 risk 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.

**Management Response:** Management is aware of the segregation of duties. However, with the number of employees in this office it is sometimes hard to do so. We do have double checks on the deposits each day and I do oversee the daily work and initial off.

**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 should be segregated.



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