



STEPHENS COUNTY TREASURER

Statutory Report

August 31, 2020

Cindy Byrd, CPA
State Auditor & Inspector

**JANICE GRAHAM, COUNTY TREASURER
STEPHENS COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
AUGUST 31, 2020**

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Cindy Byrd, CPA | State Auditor & Inspector

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November 23, 2020

BOARD OF COUNTY COMMISSIONERS
STEPHENS COUNTY COURTHOUSE
DUNCAN, OKLAHOMA 73533

Transmitted herewith is the Stephens County Treasurer Statutory Report for August 31, 2020. 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 "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



Janice Graham, Stephens County Treasurer
Stephens County Courthouse
Duncan, Oklahoma 73533

Dear Ms. Graham:

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 Stephen 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.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

November 19, 2020



SCHEDULE OF FINDINGS AND RESPONSES

Finding 2020-001 – Lack of Internal Controls and Noncompliance Over County Investment Policy (Non-Reportable)

Condition: Upon inquiry of the Treasurer’s staff, observation and review of the County’s Investment Policy, it was noted that the written investment policy for the County does not address liquidity, diversification, safety of principle, yield, maturity and quality and capability of investment management.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure the County is in compliance with state statute regarding a written investment policy.

Effect of Condition: These conditions resulted in inadequate internal controls over the County’s investment policy and noncompliance with state statute.

Recommendation: OSAI recommends the County Treasurer implement a system of internal controls to provide reasonable assurance that the County complies with state statutes regarding the investment of County Funds and adhering to their formal investment policy.

Management Response: We will work to address this issue with the new Investment Policy to address liquidity, diversification, safety of principle, yield, maturity and quality and capability of investment management.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. Internal controls should be designed to ensure the county is in compliance with applicable state statutes.

Title 62 O.S. § 348.3(A) states, “In addition to the investments authorized by Section 348.1 of this title, the governing body of a city or of a county may adopt a written investment policy directing the investment of the funds of the city or county and any of its public trusts or authorities. If such a policy is adopted by the governing body, such funds shall be invested pursuant to the provisions of the policy. The written policy shall address liquidity, diversification, safety of principal, yield, maturity and quality and capability of investment management, with primary emphasis on safety and liquidity. To the extent practicable, taking into account the need to use sound investment judgment, the written investment policies shall include provision for utilization of a system of competitive bidding in the investment of municipal funds. The system shall be designed to maximize yield within each class of investment instrument, consistent with the safety of the funds invested.”

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