

STATUTORY REPORT

TEXAS COUNTY TREASURER

April 30, 2012



*Independently serving the citizens of
Oklahoma by promoting the
accountability and fiscal integrity of
governmental funds.*



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

**RITA WISE, COUNTY TREASURER
TEXAS COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
APRIL 30, 2012**

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Oklahoma State Auditor & Inspector

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June 19, 2012

BOARD OF COUNTY COMMISSIONERS
TEXAS COUNTY COURTHOUSE
GUYMON, OKLAHOMA 73942

Transmitted herewith is the Texas County Treasurer Statutory Report for April 30, 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, reading "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

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



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Rita Wise, Texas County Treasurer
Texas County Courthouse
Guymon, Oklahoma 73942

Dear Ms. Wise:

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 Texas 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 that reads "Gary A. Jones".

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

May 14, 2012

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2012-1—Inadequate Segregation of Duties over Receipting and Depositing

Condition: The Treasurer does not formally segregate the duties of receipting, posting, and depositing daily collections. The Treasurer has one change drawer from which she and all deputies make change.

Cause of Condition: Procedures have not been designed or developed to divide job duties in such a manner as to effectively segregate those duties.

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

Recommendation: OSAI recommends that employees should not all work from the same cash drawer. The same individual issuing receipts should not prepare the deposits and deliver deposits to the financial institutions.

Management Response: Our office does have segregation of duties. Everyone works the counter when we are busy and Lavena or Sharon L. posts taxes in the computer. We do have one cash drawer and have had only one for as long as the Treasurer's office has been here. When one of us takes in cash, we make a cash ticket and put the amount in less the tax amount and then the change due and initial the ticket. At the end of the day, Darla balances the cash. Chris does the general deposit and Sharon W. does the depository deposit and I take the deposits to the bank. We had discussed having more cash drawers, but it was going to be too much of an expense for our County, so we have one and it has always worked out and has never been a problem.

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.

Finding 2012-2—Inadequate Timely Posting of Accounting Records

Condition: At the time of the review, several instances were noted in which the ACH deposits, a payroll correction and a transfer had not been posted to the general ledger. Because the general ledger had not been updated timely, several outstanding reconciling items had to be made to reconcile the general ledger and bank statements. The apportionments for the month of April were not completed until the date of this review.

Cause of Condition: Procedures have not been designed and developed to monitor transfers and corrections and post those items in a timely manner to the general ledger. Additionally, procedures have not been implemented to apportion funds on a timely basis.

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

Recommendation: OSAI recommends the County Treasurer monitor the process of posting entries at the bank at least weekly to update the County records in a timely manner. Additionally, monthly apportionment of funds should occur on a timely basis as near to the beginning working day of the next month as possible.

Management Response: Our office, in the past year, has been receiving more direct deposits and sometimes we are not getting some of the dummy receipts done, until we get our bank statement. We now have internet banking, and are going to go online once a week to get the direct deposits and do the dummy receipts or let the office that has direct deposit know that their deposit is in, so they can do their dummy deposit and paperwork. The direct deposit will be in the month we receive them and put in the apportionment for that month. The receipts to the end of April are put on the apportionment, which was finished by May 10th.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, interest and transfers should be posted to the general ledger in a timely basis, as well as the monthly apportionment of collections to the various funds and entities.



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