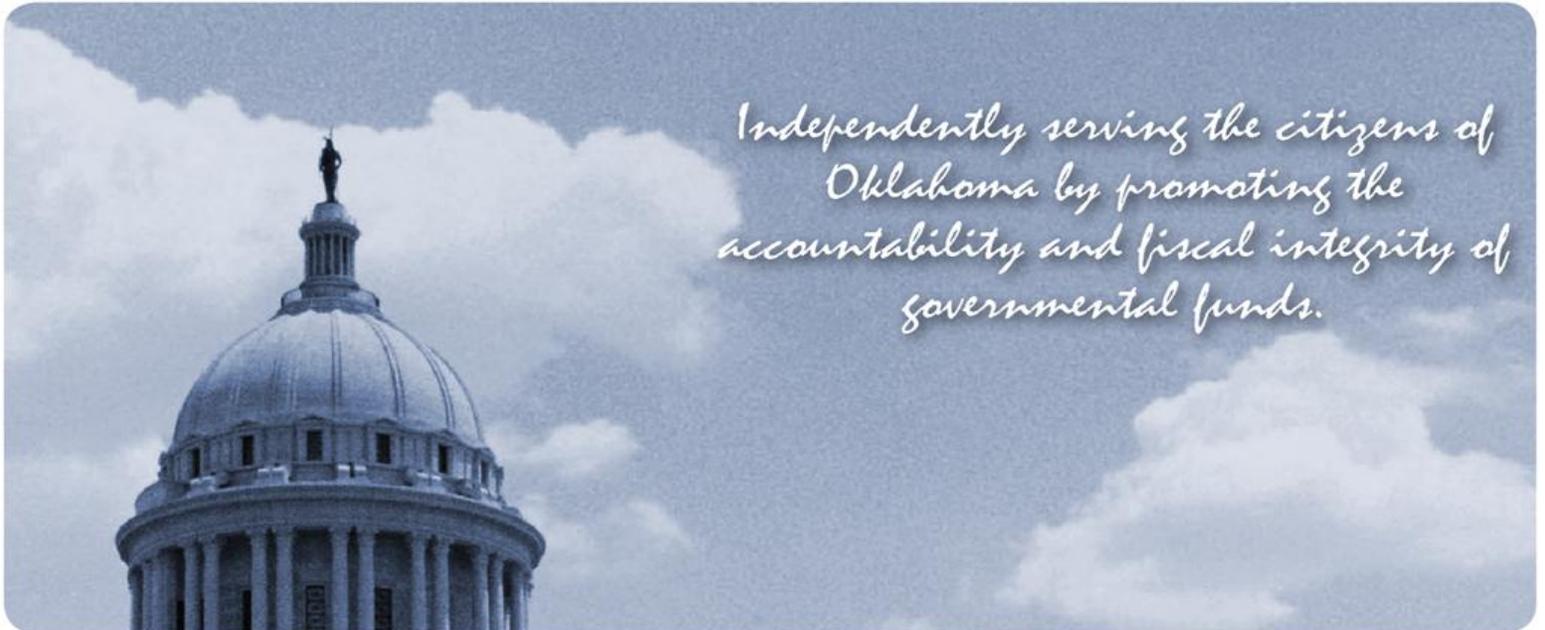


STATUTORY REPORT

TEXAS COUNTY TREASURER

April 2, 2015



*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

**LAVENA CHASTINE, COUNTY TREASURER
TEXAS COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
APRIL 2, 2015**

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

May 18, 2015

TO THE BOARD OF COUNTY COMMISSIONERS
TEXAS COUNTY, OKLAHOMA
GUYMON, OKLAHOMA 73942

Transmitted herewith is the Texas County Treasurer Statutory Report for April 2, 2015. 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". The signature is fluid and cursive, with the first name "Gary" being the most prominent.

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

Ms. Lavena Chastine, County Treasurer
Texas County Courthouse
Guymon, Oklahoma 73942

Dear Ms. Chastine;

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

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2015-1 - Inadequate Internal Controls and Noncompliance Over County Treasurer Duties

Condition: While performing the Texas County Treasurer's Treasurer Statutory Review, the following was noted:

- The Treasurer and deputies all work from the same cash drawer.
- The cash count of the cash drawer reflected that a cash payment was received on April 1, 2015, but not receipted until after the cash count was performed by the auditor on April 6, 2015.
- A certificate of deposit or custody receipt was not located in the County Treasurer's office.
- The funds deposited in one financial institution were not adequately secured in the amount of \$99,263.46.

Cause of Condition: The current County Treasurer was not aware of some of the responsibilities with regard to her official duties.

Effect of Condition: These conditions resulted in unrecorded transactions and noncompliance with state statutes.

Recommendation: OSAI recommends the County Treasurer implement internal controls to ensure that:

- Each employee works from a separate cash drawer.
- A pre-numbered duplicate receipt is issued at the time that cash or checks are received.
- The certificate of deposit or custody receipt is maintained by the County Treasurer in a secure location.
- Bank balances are monitored daily and pledged collateral is secured to adequately cover deposits.

Management Response:

County Treasurer:

- Management concurs with the reference to all workers working from the same cash drawer and is working to weigh the pros and cons of changing this practice.
- With regard to the comment, "The cash count of the cash drawer revealed that a cash payment was received on April 1, 2015, but not receipted until after the cash count was performed by the auditor on April 6, 2015," management has investigated the issue and determined the following has occurred;

The taxpayer came to our office at 5:00 p.m. to pay taxes. Our usual procedure is for the deputy that received the taxpayer's payment stamp their statement copy as paid and indicating the payment amount and method of payment (check, cash, etc.) on both their copy and our copy from which to post to their account. When they pay with cash our procedure is to enter on a calculator

**LAVENA CHASTINE, COUNTY TREASURER
TEXAS COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
APRIL 2, 2015**

tape the amount they paid and subtract the amount due to arrive at the change they are due. This procedure was followed on the day the taxpayer paid which was on the 2nd of April. The payment was entered on the computer on Monday, the 6th of April following the courthouse being closed on Good Friday (3rd), Saturday (4th) and Sunday (5th). The part of the usual procedure not followed was that in addition to the calculator tape we have recently also issued a cash receipt for the taxpayer and as a backup for our records.

- Since our audit the certificate of deposit has been located.
- Management concurs with the finding of unsecured funds and have since made sure that pledged collateral meets our deposited amounts and will routinely check pledged amounts to deposited amounts.

Criteria: Accountability and stewardship are overall goals of management in accounting of funds. Internal controls over safeguarding of assets constitute a process, affected by the entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding the prevention and detection of error and/or fraud and to safeguard an entity's assets from loss, damage, or misappropriation.

Additionally, Title 62 O.S. § 348.1 requires that pledged collateral be adequate to cover the county deposits at financial institutions.



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

WWW.SAI.OK.GOV