

STATUTORY REPORT

TILLMAN COUNTY TREASURER

July 31, 2013



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

**KIM LAMB, COUNTY TREASURER
TILLMAN COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
JULY 31, 2013**

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Oklahoma State Auditor & Inspector

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August 16, 2013

BOARD OF COUNTY COMMISSIONERS
TILLMAN COUNTY COURTHOUSE
FREDERICK, OKLAHOMA 73542

Transmitted herewith is the Tillman County Treasurer Statutory Report for July 31, 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, appearing to read "Gary A. Jones".

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



Oklahoma State Auditor & Inspector

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Kim Lamb, Tillman County Treasurer
Tillman County Courthouse
Frederick, Oklahoma 73542

Dear Ms. Lamb:

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 Tillman 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', is written over a horizontal line.

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

August 7, 2013

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2014-1— Segregation of Duties

Condition: The County Treasurer’s office has one deputy. The Treasurer does not adequately segregate the duties of receipting, posting, and depositing daily collections. The deputy performs the majority of the receipting, balancing, and preparation for the depository account. Both the Treasurer and the deputy receipt ad valorem monies. The Treasurer balances the general bank account, prepares the deposit, and takes the money to be deposited for both accounts to the bank.

Cause of Condition: The office has limited funds for additional staffing of the office. The deputy is new and in the process of learning the duties of the office.

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

Recommendation: OSAI recommends 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 provide segregation of 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 risks 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 approve accounting functions.

Management Response: Due to the lack of funding, this office can only staff two people. It is understandable; the concern of accountability in a limited staff situation, but at this time, the economic status of this county does not allow us any opportunity for change.

Auditor Response: Although the office is limited in staff, mitigating controls such as reviewing work of others could be implemented to reduce the risks of error and fraud. Evidence of the review should be noted with initials and dates.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, key duties and responsibilities should be segregated among different individuals to reduce the risk of error or fraud. No one individual should have the ability to authorize transactions, have physical custody of funds, and record transactions.



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