

STATUTORY REPORT

WASHITA COUNTY TREASURER

April 3, 2013



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

**SHARI GIBLET, COUNTY TREASURER
WASHITA COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
APRIL 3, 2013**

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Oklahoma State Auditor & Inspector

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April 19, 2013

BOARD OF COUNTY COMMISSIONERS
WASHITA COUNTY COURTHOUSE
CORDELL, OKLAHOMA 73632

Transmitted herewith is the Washita County Treasurer Statutory Report for April 3, 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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Shari Giblet, Washita County Treasurer
Washita County Courthouse
Cordell, Oklahoma 73632

Dear Ms. Giblet:

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 Washita 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 4, 2013

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2013-1— Segregation of Duties for the Change Drawer

Condition: The Treasurer has tried to segregate the duties of receipting, posting, and depositing daily collections. However, two deputies utilize only one change drawer in processing payments collected within the office. The receipts and cash are reconciled by one deputy and then verified by another deputy or officer, who completes the deposit.

Cause of Condition: Employees work from only one change drawer for receiving all collections.

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

Recommendation: OSAI recommends management be aware of this condition 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 and separate change drawers for employees.

Management Response: Our office will begin using three cash drawers. At the end of each day, the cash receipts and the cash in each drawer will be reconciled and initialed by another employee of the Treasurer's office.

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. This segregation includes maintaining separate change drawers for each deputy that receives collections.



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