

WASHITA COUNTY TREASURER

MAY 6, 2009

STATUTORY REPORT



Oklahoma State Auditor
& Inspector

**BYRON GORE, COUNTY TREASURER
WASHITA COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
MAY 6, 2009**

This publication is printed and issued by the State Auditor and Inspector as authorized by 74 O.S. § 212. Pursuant to 74 O.S. § 3105.B, five (5) copies have been prepared and distributed at a cost of \$10.87. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

June 3, 2009

BOARD OF COUNTY COMMISSIONERS
WASHITA COUNTY COURTHOUSE
CORDELL, OKLAHOMA 73632

Transmitted herewith is the Washita County Treasurer Statutory Report for May 6, 2009. The engagement was conducted in accordance with 74 O.S. § 212.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of our engagement.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the state to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

Byron Gore, County Treasurer
Washita County Courthouse
Cordell, Oklahoma 73632

Dear Mr. Gore:

For the purpose of complying with 74 O.S. § 212, we have performed the following procedures for May 6, 2009:

- Review bank reconciliations, visually verify certificates of deposit, and confirm investments.
- Determine whether subsidiary records reconcile to the general ledger.
- Review pledged collateral securing deposits and invested funds.

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 general-purpose financial statements of Washita County.

Based on the above reconciliations, visual verification, and confirmation procedures performed, the cash and investments of the County are supported by bank records. However, with respect to the matter of segregation of duties, current posting of bank transactions, and pledged securities, our findings are included in the accompanying schedule of findings and responses.

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.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

May 7, 2009

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2009-1—Segregation of Duties

Criteria: Accountability and stewardship are overall goals in evaluating management's 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.

Condition: Based on inquiries of personnel and testwork performed, it was noted that receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization within the Treasurer's office were not properly segregated to assure adequate internal control structure.

Effect: 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 knowledge of office operations and a periodic review of operations.

Views of responsible officials and planned corrective actions: Both deputies in my office are able to receive money through misc receipts, mortgages, official deposits, and taxes. We will have both deputies review the bank statements at the end of each month.

Finding 2009-2— Recording of Accounting Transactions

Criteria: Accountability and stewardship are overall goals in evaluating management's accounting of funds. To help ensure a proper accounting of funds, management should establish controls that ensure proper recording of all transactions.

Condition: Based on procedures performed, the Treasurer's daily reports and general ledger did not reflect all activity recorded on the bank statements:

- Interest earned on all bank accounts for April 2009 was not recorded.
- Transactions within the general bank account and unapportioned sweep bank account for May 1 through May 6, 2009, were not recorded on the general ledger.

Effect: This condition results in the County's records not being current.

Recommendation: OSAI recommends the County Treasurer maintain and keep current with all daily transactions and county funds.

**BRYAN GORE, COUNTY TREASURER
WASHITA COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
MAY 6, 2009**

Views of responsible officials and planned corrective actions: We will work to ensure that interest on the bank statements is recorded as soon as the statements are received.

Finding 2009-3— Pledged Collateral

Criteria: Title 62 O.S. § 517.4.A. states, "A treasurer of a public entity shall require that financial institutions deposit collateral securities or instruments to secure the deposits of the public entity in each such institution. The amount of collateral securities or instruments to be pledged for the security of public deposits shall be established by the treasurer of the public entity consistent with the provisions of the Security for Local Public Deposits Act; provided, such amount shall not be less than the amount of the deposit to be secured, less the amount insured."

Condition: The County did not have adequate pledged securities during the period of April 18, 2009 through May 6, 2009. The Bank of Cordell had unsecured deposits of \$48,087.20.

Effect: This condition could result in the possible loss of county funds.

Recommendation: OSAI recommends management periodically compare the amount of pledged collateral to ensure amounts are adequate and all deposits are secured.

Views of responsible officials and planned corrective actions: The finding that we did not have enough collateral was addressed by Byron Gore prior to April 18, 2009. The bank did not pledge us additional securities until around May 7, 2009.



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

WWW.SAI.OK.GOV