

STATUTORY REPORT

WASHITA COUNTY TREASURER

April 22, 2011



*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

**SHARI GIBLET, COUNTY TREASURER
WASHITA COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
APRIL 22, 2011**

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Oklahoma State Auditor & Inspector

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May 16, 2011

BOARD OF COUNTY COMMISSIONERS
WASHITA COUNTY COURTHOUSE
CORDELL, OKLAHOMA 73632

Transmitted herewith is the Washita County Treasurer Statutory Report for April 22, 2011. 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 "Gary A. Jones". The signature is fluid and cursive, with a long horizontal line extending to the right.

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



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Shari Giblet, 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 for April 22, 2011:

- 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 bank reconciliations, visual verification, and confirmation procedures performed, cash and investments of the County are supported by accounting and bank records and are adequately secured to prevent loss in the event of a bank failure. However, in performing the procedures, we noted a matter of segregation of duties, and our finding is presented 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,

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

April 25, 2011

**SHARI GIBLET, COUNTY TREASURER
WASHITA COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
APRIL 22, 2011**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2011-1—Segregation of Duties

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. Effective internal controls include depositing funds collected on a daily basis.

Condition: The County Treasurer has two full-time deputies. The County Treasurer and the two employees issue receipts and prepare deposits. The County Treasurer makes the deposits to the financial institutions. There is no formal segregation of duties.

Effect: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

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 approval of accounting functions.

Views of responsible officials and planned corrective actions: The following procedures have been implemented to mitigate the lack of segregation of duties in my office. The majority of the official deposits are registered by the 2nd deputy. The first deputy balances the official account at the end of the day. Each office signs in the amount of their checks and cash on a board on my desk when they bring in their deposit. Each morning before I go to the bank, I will verify the amount of cash and the total amount deposited with the sign in board.

The unapportioned account is balanced by the 2nd deputy. I will verify the amount of cash in the deposit by adding amount of cash collected on the daily tax sheet and any cash collected on other receipts.

The daily report and the general ledger are done by the first deputy. The majority of the collections for each day are done by the two deputies. I do the apportionment at the end of each month. The first deputy has been learning how to do the apportionment in case I was unable to do it.

Bank statements are done by me, and the first deputy will look over and initial them.



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