



WOODWARD COUNTY TREASURER

Statutory Report

March 31, 2022

Cindy Byrd, CPA
State Auditor & Inspector

**KIM BOWERS, COUNTY TREASURER
WOODWARD COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
MARCH 31, 2022**

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OKLAHOMA
Office of the State Auditor & Inspector

Cindy Byrd, CPA | State Auditor & Inspector

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June 30, 2022

BOARD OF COUNTY COMMISSIONERS
WOODWARD COUNTY COURTHOUSE
WOODWARD, OKLAHOMA 73801

Transmitted herewith is the Woodward County Treasurer Statutory Report for March 31, 2022. 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 "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



Kim Bowers, Woodward County Treasurer
Woodward County Courthouse
Woodward, Oklahoma 73801

Dear Ms. Bowers:

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 Woodward 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.

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

April 14, 2022

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2022–001 – Lack of Internal Controls and Noncompliance Over Pledged Collateral

Condition: Upon inquiry with the County Treasurer, review of documents, and a test of County funds being adequately secured, on March 31, 2022, the total County funds held at one financial institution was under-collateralized by \$240,000.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure that all County funds are adequately secured.

Effect of Condition: This condition resulted in noncompliance with state statute and unsecured County funds. Further, this condition could result in the possible loss of County funds.

Recommendation: The Oklahoma State Auditor and Inspector’s Office recommends the County Treasurer ensure all funds are secured by pledged securities or letters of credit with each bank in accordance with state statute.

Management Response:

County Treasurer: This issue has been corrected. When I set up the Sweep account at the bank, I was told this account would always be 100% collateralized and I did not realize I needed collateral on the \$240,000 since it was part of the Sweep account. Going forward, I will make sure that this does not happen again.

Criteria: The United States Government Accountability Office’s *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasigovernmental entities.

The GAO Standards – Principle 13 – Use Quality Information: 13.04 states:

Relevant Data from Reliable Sources

Management obtains relevant data from reliable internal and external sources in a timely manner based on the identified information requirements. Relevant data have a logical connection with, or bearing upon, the identified information requirements. Reliable internal and external sources provide data that are reasonably free from error and bias and faithfully represent what they purport to represent. Management evaluates both internal and external sources of data for reliability. Sources of data can be operational, financial, or compliance related. Management obtains data on a timely basis so that they can be used for effective monitoring.

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

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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.”

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