

STATUTORY REPORT

JEFFERSON COUNTY TREASURER

January 31, 2014



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

**ANN MEDLINGER, COUNTY TREASURER
JEFFERSON COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
JANUARY 31, 2014**

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Oklahoma State Auditor & Inspector

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March 11, 2014

BOARD OF COUNTY COMMISSIONERS
JEFFERSON COUNTY COURTHOUSE
WAURIKA, OKLAHOMA 73573

Transmitted herewith is the Jefferson County Treasurer Statutory Report for January 31, 2014. 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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Ann Medlinger, Jefferson County Treasurer
Jefferson County Courthouse
Waurika, Oklahoma 73573

Dear Ms. Medlinger:

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 Jefferson 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.

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

March 5, 2014

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2014-1—General Ledger Understated

Condition: At January 31, 2014, the Treasurer's general ledger was understated by \$50,000. This understatement was created when the Treasurer failed to enter an investment on the general ledger.

Cause of Condition: The general ledger has not been updated to reflect new investments made during the month.

Effect of Condition: This resulted in the Treasurer's general ledger being incorrect and the fund balances being understated.

Recommendation: OSAI recommends that all County Treasurer's demand and investment accounts be reconciled monthly to bank balances and the general ledger.

Management Response: This was an oversight and it has been corrected.

Criteria: Effective internal controls are essential to provide reasonable assurance about the achievement of the entity's objectives with regard to reliability of financial reporting, and compliance with applicable laws and regulations. An effective internal control system has in place policies and procedures that reduce the risk of errors and fraud within an organization. A key factor in this system is the reconciliation of all the County Treasurer's accounts. These reconciliations would include verifying demand accounts and investment accounts.



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