

STATUTORY REPORT

ADAIR COUNTY TREASURER

March 31, 2014



*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

**JANICE BREWER, COUNTY TREASURER
ADAIR COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
MARCH 31, 2014**

This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 74 O.S. § 212, has not been printed, but is available on the agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to 74 O.S. § 3105.B.



Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

August 15, 2014

BOARD OF COUNTY COMMISSIONERS
ADAIR COUNTY COURTHOUSE
STILWELL, OKLAHOMA 74960

Transmitted herewith is the Adair County Treasurer Statutory Report for March 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

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

Janice Brewer, Adair County Treasurer
Adair County Courthouse
Stilwell, Oklahoma 74960

Dear Ms. Brewer:

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 Adair County.

Based on our procedures performed, we have presented our finding 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 17, 2014

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2014-1 – Inadequate Internal Controls Over Pledged Collateral and Noncompliance with State Statute

Condition: At March 31, 2014, the County had unsecured deposits of \$204,493.65.

Cause of Condition: The County relied upon the banks to maintain adequate pledged collateral to cover deposits.

Effect of Condition: This condition resulted in noncompliance with state statute and could result in and possible loss of county funds.

Recommendation: OSAI recommends that the County design procedures to compare bank balances to the pledged collateral ledgers daily to ensure that county funds are adequately secured against loss by a financial institution. Documentation for this daily procedure should be maintained.

Management Response:

County Treasurer: We will compare our bank balances to our pledged collateral amount daily to make sure all funds are adequately pledged.

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.

Further, good internal controls would include monitoring the daily bank balances to the amount of securities pledged to protect the County against loss of investments.



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

WWW.SAI.OK.GOV