



ATOKA COUNTY TREASURER

Statutory Report

January 31, 2019

Cindy Byrd, CPA
State Auditor & Inspector

**CARLA JACKSON, COUNTY TREASURER
ATOKA COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
JANUARY 31, 2019**

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Cindy Byrd, CPA | State Auditor & Inspector

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May 2, 2019

BOARD OF COUNTY COMMISSIONERS
ATOKA COUNTY COURTHOUSE
ATOKA, OKLAHOMA 74525

Transmitted herewith is the Atoka County Treasurer Statutory Report for January 31, 2019. 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



Carla Jackson, Atoka County Treasurer
Atoka County Courthouse
Atoka, Oklahoma 74525

Dear Ms. Jackson:

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 Atoka 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 2, 2019



SCHEDULE OF FINDINGS AND RESPONSES

Finding 2019-001 – Official Depository Bank Reconciliation – Unidentified Reconciling Items (Repeat Finding)

Condition: Reconciliations of the official depository bank account to the general ledger are performed monthly. However, we noted the following exceptions for the January 31, 2019 reconciliation:

- An unidentified variance of \$67 was noted.
- We were unable to locate \$613 of electronic fund transfer (EFT) deposits listed as reconciling items.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure a true and accurate monthly reconciliation occurs between the official depository ledger and the corresponding bank account.

Effect of Condition: This condition could result in unrecorded transactions, misstated financial reports, undetected errors, misappropriation of funds, or clerical errors that are not detected in a timely manner.

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends the following:

- Official depository ledger should be reconciled consistently throughout the month to ensure that the monthly reconciliations are complete and accurate at the end of each month.
- All deposits to the official depository bank account should be receipted in the month received.
- Vouchers and warrants which have not been presented by payee within one year of issuance date should be cancelled by the County Treasurer.

Management Response:

County Treasurer: We are in the process of researching these issues to determine appropriate corrective actions.

Criteria: An aspect of internal control is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process, affected by the entity's governing body, management, and other personnel, designed to provide reasonable assurance that financial records are timely reconciled and financial ledgers are maintained in an accurate and complete manner.

Finding 2019-004 - Inadequate Internal Controls Over Pledged Collateral and Noncompliance with State Statute

Condition: Upon inquiry of the County Treasurer, observation, and review of documents regarding the pledged collateral process, the following was noted:

- At January 31, 2019, the County’s deposits were not secured by pledged collateral at a local bank in the amount of \$62,971.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure that bank deposits are adequately secured.

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

Recommendation: OSAI recommends that the County Treasurer design procedures to compare bank balances to the fair market value of pledged collateral on a daily basis to ensure that county funds are adequately secured and that the County is in compliance with 62 O.S. § 517.4. Documentation for this daily procedure should be maintained.

Management Response:

County Treasurer: We will begin utilizing the software program for tracking pledge collateral.

Criteria: Effective internal controls require that monitoring pledged securities be performed on a daily basis to ensure compliance with state statute.

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.”

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