

STATUTORY REPORT

# BRYAN COUNTY TREASURER

October 31, 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

**NANCY CONNER, COUNTY TREASURER  
BRYAN COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
OCTOBER 31, 2011**

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# Oklahoma State Auditor & Inspector

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

April 18, 2012

BOARD OF COUNTY COMMISSIONERS  
BRYAN COUNTY COURTHOUSE  
DURANT, OKLAHOMA 74701

Transmitted herewith is the Bryan County Treasurer Statutory Report for October 31, 2011. 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 "Gary A. Jones".

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



# Oklahoma State Auditor & Inspector

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Nancy Conner, Bryan County Treasurer  
Bryan County Courthouse  
Durant, Oklahoma 74701

Dear Ms. Conner:

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 Bryan 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.

A handwritten signature in blue ink, reading "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

December 8, 2011

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2012-1—Subsidiary Reconciliation**

Criteria: Safeguarding controls are an aspect of internal control. Safeguarding controls relate to the prevention or timely detection of unauthorized transactions and unauthorized access to assets. Failure to perform tasks that are part of internal controls, such as maintaining subsidiary ledgers and reconciling them to the general ledger, are deficiencies in internal control.

Condition: The following exceptions were noted:

- Reconciliation was not performed between the general ledger and the official depository.
- Ledgers are not maintained for schools and municipalities.

Recommendation: OSAI recommends that the subsidiary ledgers be maintained and reconciled to the general ledger on a monthly basis.

Management Response: I inherited a General Ledger/Official Depository discrepancy held over from the previous Treasurer. The June 30, 2007, Monthly Report to Auditors shows a \$50.00 discrepancy between the Official Depository balance of \$565,813.79 and the General Ledger Official Depository Fund balance of \$565,764.79. This discrepancy was supposedly the result of some transaction and/or corrective journal entries made having to do with the County Health Department's increase or decrease of its "cash in office" amount. I believe this may have something to do with the current discrepancy found, but cannot be absolutely sure because of an additional problem I found while trying to get this corrected.

The amount held in the bank(s) for the Official Depository was exactly the same on the 06/30/2007 General Ledger as the Depository Account fund amount --\$565,763.79. This amount shown on the top of "Banks", portion of the GL is the amount used for years in reconciling bank statements. However, the "Banks" portion of the General Ledger also contains a line item for "Cash in Office". This "Cash in Office", according to traditional practice in this county anyway, was supposed to be accounted for on the bottom or "Funds" part of the General Ledger within the "Depository Account" line item. If accounting was done this way, it would mean that the "Depository Account" fund line item should be equal to the total of the "Banks" Depository Account line item plus the Cash in Office. Otherwise, there should be no way the top and bottom of the General Ledger would balance, as there was no accounting on the "Funds" part of the General Ledger for the amounts held in the offices to do business each day. So, when I began to try to resolve the \$50.00 discrepancy, I discovered that the General Ledger of Bryan County could not be true and correct with respect to the Depository Account. Basically, either the top amount or the bottom amount was incorrect, and by more than \$50.00, because the Cash in Office at that time was \$455.00. The "Bank" Depository Account balance should have been \$455.00 less than the "Fund" Depository Account, just to properly harmonize the top and bottom of the General Ledger. Even then, the Depository Ledger would still be off from either the General Ledger amounts.

Unfortunately, that discrepancy was one of the least of the priorities as I set them. I knew we had problems, but I knew it would take ongoing research and time to sort them out, and I had new staff to

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train and get ready for a tax season. Therefore, I have chosen to simply work on correcting this discrepancy over time, as I can fit it in. To date, I believe the general ledger accurately reflects the cash in office, even if my way of doing so is a bit unorthodox by setting each office's cash in office as a Funds line item. To me this is clearer than simply carrying the "Cash in Office" within the Depository Account, where there is no way to show it in the accounting. Besides, the total Depository Ledger (less BCAA accounts, of course) does not seem to hold the "cash in office" items, because it shows to be less money than the Bank Account Balance.

Balances have been being checked for the past several months, to see if the discrepancy changes, etc. Though not on paper, this is a reconciliation of the accounts, and I am aware of the discrepancy. I will continue to research and adjust the accounts as I find items, and feel confident that I will track down the current discrepancy before this term is over.

**B. Ledgers are not maintained for schools and municipalities**

I agree that the use of formal subsidiary ledgers for Schools, Vo-Tech and Municipal funds for tracking and documentation would be helpful. No such ledgers were to be found when I took office in July 2007, and I had simply never set anything up. I will develop a system of subsidiary ledgers and implement their use as quickly as possible.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

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