

**BRYAN
COUNTY
TREASURER**

OCTOBER 31, 2008

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**NANCY CONNER, COUNTY TREASURER
BRYAN COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
OCTOBER 31, 2008**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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March 19, 2009

BOARD OF COUNTY COMMISSIONERS
BRYAN COUNTY COURTHOUSE
DURANT, OKLAHOMA 74701

Transmitted herewith is the Bryan County Treasurer Statutory Report for October 31, 2008. The engagement was conducted in accordance with 74 O.S. § 212.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of our engagement.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the state to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

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Nancy Conner, 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 for October 31, 2008:

- Review bank reconciliations, visually verify certificates of deposit, and confirm investments.
- Determine whether subsidiary records reconcile to the general ledger.
- Review pledged collateral securing deposits and invested funds.

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 general-purpose financial statements of Bryan County.

Based on the above bank reconciliations, visual verification, and confirmation procedures performed, the cash and investments of the County are supported by bank records and are adequately secured to prevent loss in the event of a bank failure. With respect to the matter of segregation of duties, cash and investments of the County being supported by accounting records, and subsidiary ledgers being reconciled to the general ledger, our findings are included in the accompanying schedule of findings and responses.

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.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

November 17, 2008

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2009-1—Segregation of Duties

Criteria: Accountability and stewardship are overall goals in evaluating management's accounting of funds. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization should be segregated.

Condition: Based on inquiries of personnel and testwork performed, it was noted that receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization within the Treasurer's office were not properly segregated to assure adequate internal control structure.

Effect: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends management be aware of these conditions and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management's knowledge of office operations and a periodic review of operations.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's findings. Management does have knowledge of office operations and will perform a periodic review of these operations.

Finding 2009-2 – Negative Fund Balance

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 verifying that there is sufficient cash on hand prior to registering warrants, are deficiencies in internal control.

Further, 62 O.S. § 552 states,

Whenever a warrant or order shall be presented to any treasurer named in the preceding section, and the same is not paid for the reason that there is not money sufficient in the fund on which same is drawn, the treasurer shall endorse on the back of such warrant or order, "Not paid for want of funds," number, date and sign the same; and he shall set down in a book to be kept for that purpose, the number, amount, the date and upon what fund drawn, to whom payable, and the date when presented for payment, and such warrants or orders shall be paid in the order of their presentation and registration as shown by such book, and such book shall be known in each such office as the "Warrant Register."

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Condition: The County Treasurer's General Fund balance on the general ledger was (\$155.28) for the last half of October 2008 due to an error posting warrants. The Treasurer issued non-payable warrants and when she went to the bank to redeem a portion of the warrants, she redeemed more than she had funds for, causing the general ledger to have a negative balance.

Effect: This condition results in issuing warrants without available funds.

Recommendation: OSAI recommends that the County Treasurer verify cash available in the fund prior to registration of any warrants, and any warrants registered in which money is not available in the fund, be endorsed as non-payable in accordance with state statutes.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's findings. This error was corrected the next month.

Finding 2009-3 – Investment Ledger

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 County Treasurer does not maintain an investment ledger which identifies all investments made with county funds.

Effect: This condition could result in errors not being corrected in a timely manner and misappropriation of county funds.

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

Views of responsible officials and planned corrective actions: The Treasurer stated that the ledger was out of balance when she began her term and that she has not had time to research and bring it up to date. Additionally, she stated that she would investigate this matter and update the investment ledger.



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