

**COAL
COUNTY
TREASURER**

AUGUST 31, 2010

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**GINA McNUTT, COUNTY TREASURER
COAL COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
AUGUST 31, 2010**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

December 16, 2010

BOARD OF COUNTY COMMISSIONERS
COAL COUNTY COURTHOUSE
COALGATE, OKLAHOMA 74538

Transmitted herewith is the Coal County Treasurer Statutory Report for August 31, 2010. 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 "Michelle R. Day".

MICHELLE R. DAY, ESQ.
DEPUTY STATE AUDITOR & INSPECTOR

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Gina McNutt, County Treasurer
Coal County Courthouse
Coalgate, Oklahoma 74538

Dear Ms. McNutt:

For the purpose of complying with 74 O.S. § 212, we have performed the following procedures for August 31, 2010:

- 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 Coal 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. We noted a matter concerning the failure to record accrued interest in the general ledger, and our finding is presented 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 "Michelle R. Day".

MICHELLE R. DAY, ESQ.
DEPUTY STATE AUDITOR & INSPECTOR

November 17, 2010

**GINA McNUTT, COUNTY TREASURER
COAL COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JULY 30, 2010**

Finding 2011-1 – Failure to Record Accrued Interest

Criteria: Safeguarding controls are an aspect of internal controls. Safeguarding controls relate to the prevention or timely detection of unauthorized access to assets. Failure to reconcile the general ledger to the bank balances is a deficiency in internal controls.

Condition: The general ledger at August 31, 2010, did not reflect accrued interest.

- First Bank of Coalgate, Oklahoma confirmed the following Certificate of Deposits at August 31, 2010:
 - CD #92803 - \$259,450.64
 - CD #92829 - \$259,450.64
 - CD #92845 - \$259,450.64
 - CD #92861 - \$258,676.42
 - Total \$1,037,028.34

These four CD's are recorded on the general ledger at \$1,000,000.

Effect: This condition results in unrecorded funds and misstated general ledger.

Recommendation: OSAI recommends the general ledger be reconciled to the bank balances to indicate the correct amount of invested funds.

Views of responsible officials and planned corrective actions: I, Gina McNutt, Coal County Treasurer am still in my first term of being Treasurer. Being that this was my first time to invest funds, I was unaware that I was supposed to be adding the interest to the general ledger. I do have a file where I have kept up with all the interest and put the earned interest in the right entity. The money goes in County Sales Tax. I was never instructed to put money earned in general ledger, nor was I instructed that I could be getting interest cut in a check and be apportioned. It has been just sitting in the bank. I will immediately do the right thing and balance with bank and general ledger, since I know that is what I need to do.



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

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