

STATUTORY REPORT

CREEK COUNTY TREASURER

June 4, 2013



*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

**BYRON DAVIS, COUNTY TREASURER
CREEK COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
JUNE 4, 2013**

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Oklahoma State Auditor & Inspector

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June 25, 2013

BOARD OF COUNTY COMMISSIONERS
CREEK COUNTY COURTHOUSE
SAPULPA, OKLAHOMA 74066

Transmitted herewith is the Creek County Treasurer Statutory Report for June 4, 2013. 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



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Byron Davis, Creek County Treasurer
Creek County Courthouse
Sapulpa, Oklahoma 74066

Dear Mr. Davis:

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 Creek 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, appearing to read "Gary A. Jones".

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

June 4, 2013

SCHEDULE OF FINDINGS AND RESPONSES

2013-1 – Bank Reconciliations and Accounts not on General Ledger

Condition: Based on testwork performed, the following was noted:

- There was no indication of review of the bank reconciliations by someone other than the preparer for the Milfay Schools General, Building, and Nutrition bank accounts.
- Monthly bank reconciliations are not performed for the Milfay School Bond and Sinking Fund bank accounts.

Cause of Condition: Procedures have not been designed to ensure all accounts are on the general ledger, are reconciled monthly, and reconciliations are reviewed and approved by someone other than the preparer.

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

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends all accounts be reconciled on a monthly basis and in a timely manner and that the Treasurer ensures that all bank reconciliations reflect an indication of review that they are approved by someone other than the preparer.

Management Response: The Creek County Treasurer's Office has started a plan for reconciliations on all accounts the office handles. We are also having a second person review reconciliations to verify all accounts are current and accurate.

Criteria: To help ensure a proper accounting of funds, all bank accounts and investments identified with the County's tax identification number, or for which the County Treasurer acts as Treasurer for, should be included on the general ledger. Bank reconciliations should be performed on a monthly basis and approved by someone other than the preparer and include an indication of review.

2013-2 – Subsidiary Ledgers

Condition: The County Treasurer, who acts as the Treasurer for Milfay Public Schools, is not maintaining subsidiary ledgers for the five Milfay Public School accounts.

Cause of Condition: The County Treasurer is unfamiliar with the record keeping responsibilities regarding subsidiary accounts, as this is a new responsibility.

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

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Recommendation: OSAI recommends a ledger be maintained for each and all subsidiary accounts.

Management Response: This is our first year as School Treasurer for this school district and most of the year they were on non-payable warrants.

Criteria: To help ensure a proper accounting of funds, ledgers should be maintained on all subsidiary accounts and those ledger balances should reconcile to the account balances noted on the general ledger.



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