

STATUTORY REPORT

GARFIELD COUNTY TREASURER

April 29, 2016



*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

**KEVIN POSTIER, COUNTY TREASURER
GARFIELD COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
APRIL 29, 2016**

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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

June 6, 2016

BOARD OF COUNTY COMMISSIONERS
GARFIELD COUNTY COURTHOUSE
ENID, OKLAHOMA 73701

Transmitted herewith is the Garfield County Treasurer Statutory Report for April 29, 2016. 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". The signature is fluid and cursive.

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



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Kevin Postier, Garfield County Treasurer
Garfield County Courthouse
Enid, Oklahoma 73701

Dear Mr. Postier:

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 Garfield 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.

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

May 25, 2016

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2014-1 – Inadequate Internal Controls and Noncompliance Over Pledged Collateral

Condition: Based upon inquiry of the County Treasurers' staff and observation of records, we noted on April 29, 2016, the last working day of the month, the County had deposits with a financial institution in the amount of \$2,215,538.73. The County's balance of pledged collateral was \$2,211,065.55, leaving deposits of \$4,473.18 unsecured.

Cause of Condition: Policies and procedures designed to monitor pledged collateral have not implemented for all accounts.

Effect of Condition: This condition resulted in noncompliance with state statute. Failure to monitor pledged collateral amounts to daily bank balances resulted in unsecured county funds and could result in possible loss of county funds.

Recommendation: OSAI recommends that the County Treasurer comply with 62 O.S. § 517.4 A, which requires county deposits with financial institutions be secured with collateral securities or instruments. Further, OSAI recommends the County Treasurer monitor and maintain evidence documenting the security of county deposits on a daily basis.

Management Response: Another \$100,000.00 should be in place as of May 26, 2016. I have instructed the bookkeeper to request a current list of bank securities values monthly when compiling the bank reconciliation.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. An important aspect of internal controls is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process, affected by an entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from misappropriation

Title 62 O.S. § 517.4 A states, "A. 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."



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

WWW.SAI.OK.GOV