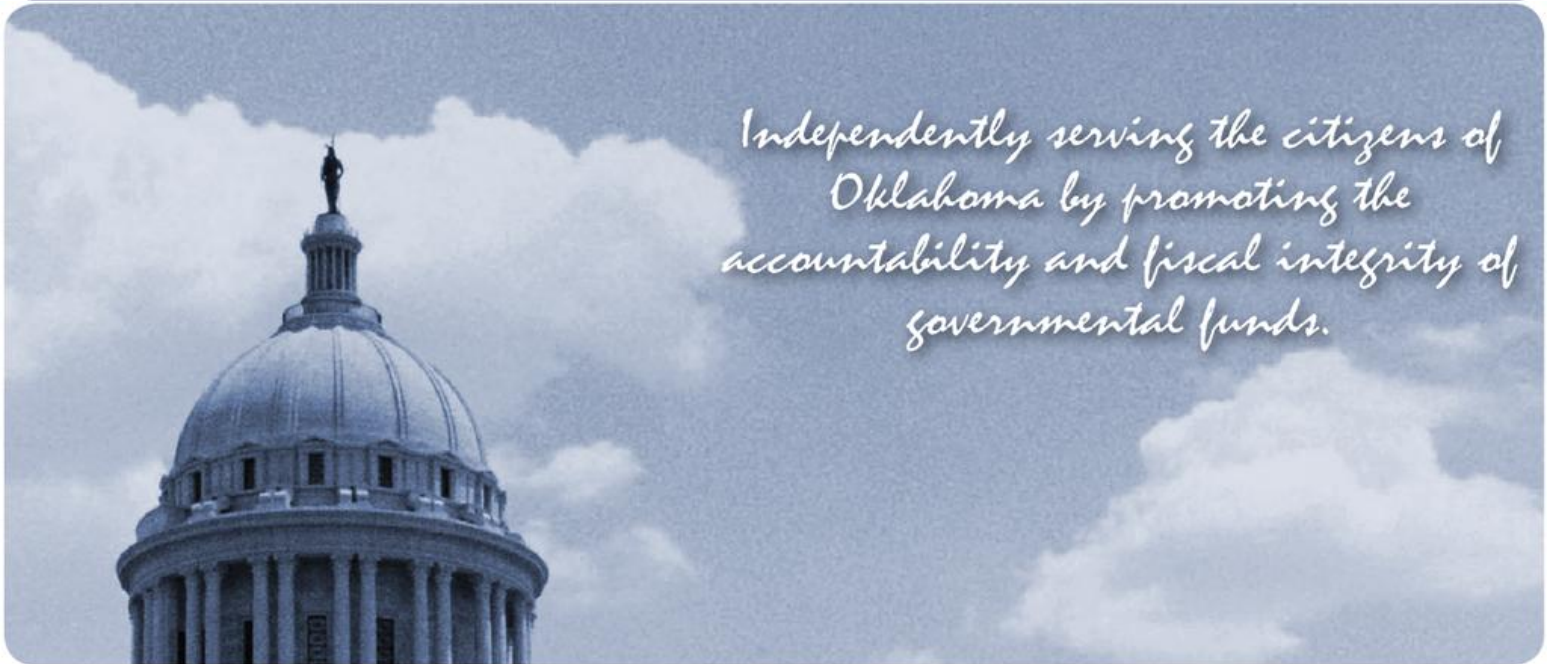


STATUTORY REPORT

KAY COUNTY TREASURER

May 29, 2014



*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

**CHRISTY KENNEDY, COUNTY TREASURER
KAY COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
MAY 29, 2014**

This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 74 O.S. § 212, has not been printed, but is available on the agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to 74 O.S. § 3105.B.



Oklahoma State Auditor & Inspector

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June 30, 2014

BOARD OF COUNTY COMMISSIONERS
KAY COUNTY COURTHOUSE
NEWKIRK, OKLAHOMA 74647

Transmitted herewith is the Kay County Treasurer Statutory Report for May 29, 2014. 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, appearing to read "Gary A. Jones".

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



Oklahoma State Auditor & Inspector

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Christy Kennedy, Kay County Treasurer
Kay County Courthouse
Newkirk, Oklahoma 74647

Dear Ms. Kennedy:

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 Kay 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

June 2, 2014

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2014-1—Bank Reconciliations

Condition: Based on review performed, there was no indication of review of the bank reconciliations by someone other than the preparer.

Cause of Condition: Procedures have not been designed to ensure all reconciliations are reviewed and approved by someone other than the preparer.

Effect of Condition: This condition 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 that the County Treasurer ensures that all bank reconciliations reflect an indication of review and approved by someone other than the preparer.

Management Response: The County Treasurer's office reconciles each account each month. The County Treasurer's office has two employees that reconcile the accounts. The County Treasurer will review and approve the final bank reconciliations.

Criteria: To help ensure a proper accounting of funds, bank reconciliations should be performed on a monthly basis and approved by someone other than the preparer and include an indication of review.



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