

STATUTORY REPORT

LATIMER COUNTY TREASURER

December 30, 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

**DELANA MOON, COUNTY TREASURER
LATIMER COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
DECEMBER 30, 2016**

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Oklahoma State Auditor & Inspector

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May 10, 2017

BOARD OF COUNTY COMMISSIONERS
LATIMER COUNTY COURTHOUSE
WILBURTON, OKLAHOMA 74578

Transmitted herewith is the Latimer County Treasurer Statutory Report for December 30, 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 written in a cursive style with a long, sweeping underline.

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



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DeLana Moon, Latimer County Treasurer
Latimer County Courthouse
Wilburton, Oklahoma 74578

Dear Ms. Moon:

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 Latimer 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 that reads "Gary A. Jones". The signature is fluid and cursive.

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

January 12, 2017

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2017-1 – Inadequate Pledged Collateral

Condition: At December 30, 2016, the County’s deposits were not secured by pledged collateral at a local bank in the amount of \$55,234.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure bank deposits are adequately secured.

Effect of Condition: This condition resulted in noncompliance with state statute. Failure to monitor that the bank balances are adequately secured, could result in unsecured and possible loss of County funds.

Recommendation: The Oklahoma State Auditor & Inspector’s Office recommends that the County Treasurer design and implement procedures to compare bank balances to the fair market value of pledged collateral on a daily basis to ensure that County funds are adequately secured and to ensure compliance with 62 O.S. § 517.4. Documentation for this daily procedure should be maintained.

Management Response:

County Treasurer: In the future we will try to monitor bank balances daily to comply with state statutes.

Criteria: Effective internal controls require that monitoring pledged securities be performed on a daily basis to ensure compliance with state statute.

Title 62 O.S. § 517.4A. states, “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.”



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