

STATUTORY REPORT

LEFLORE COUNTY TREASURER

December 31, 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

**JOE WILES, COUNTY TREASURER
LEFLORE COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
DECEMBER 31, 2013**

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Oklahoma State Auditor & Inspector

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May 23, 2014

BOARD OF COUNTY COMMISSIONERS
LEFLORE COUNTY COURTHOUSE
POTEAU, OKLAHOMA 74953

Transmitted herewith is the LeFlore County Treasurer Statutory Report for December 31, 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



Oklahoma State Auditor & Inspector

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Joe Wiles, LeFlore County Treasurer
LeFlore County Courthouse
Poteau, Oklahoma 74953

Dear Mr. Wiles:

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 LeFlore 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

January 13, 2014

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2014-1—Subsidiary Ledgers (Repeat Finding)

Condition: The following exceptions were noted:

- Reconciliation was not performed between the General Ledger and Official Depository Ledger. An unidentified variance of \$15.63 was noted plus a negative variance of \$6,111.75.
- Reconciliation was not performed between the General Ledger and Municipal Account. An unidentified variance of \$6,772.45 was noted.
- Reconciliation was not performed between the General Ledger and School District Independent Account. An unidentified variance of negative \$19,470.73 was noted.
- Reconciliation was not performed between the General Ledger and School District Joint Account. An unidentified variance of \$359.58 was noted.

Cause of Condition: Procedures have not been designed to monitor and reconcile subsidiary accounts to the General Ledger.

Effect of Condition: These conditions resulted in incomplete and inaccurate amounts being reported on the General and Subsidiary Ledgers.

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends that the Official Depository, Municipal and School Subsidiary Ledgers be maintained and reconciled to the General Ledger on a monthly basis.

Management Response: The unidentified variance of \$15.63 relates to a voucher that was cancelled by Statue of Limitations by the District Attorneys' office. The bank paid it after it had already be cancelled. As for the variance of the \$6,111.75, this is two accounts that have been disbursed just not reflected on the Depository Ledger. One, being an old Sheriff Inmate Account, in the amount of \$1,708.06, which was disbursed per resolution of the County Commissioners and the other, being court ordered savings account in the amount of \$4,403.69, which was disbursed per court order. I will adjust the Depository Ledger accordingly.

As for the \$6,772.45 and the \$19,470.73 variances, we have investigated these in great depth and can now conclude that the County Clerk's office registered Municipal and School District joint warrants as School District Independent warrants. We are currently trying to determine the correct solution to fix this issue.

Criteria: Safeguarding controls are an aspect of internal control. Safeguarding controls relate to the prevention or timely detection of unauthorized transactions and unauthorized access to assets. Failure to

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perform tasks that are part of internal controls, such as maintaining subsidiary ledgers and reconciling them to the General Ledger, are deficiencies in internal control.



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