



# LOVE COUNTY TREASURER

## Statutory Report

September 30, 2024

**Cindy Byrd, CPA**  
State Auditor & Inspector

**KARLA SMITH, COUNTY TREASURER  
LOVE COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
SEPTEMBER 30, 2024**

---

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](http://www.sai.ok.gov)) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



**OKLAHOMA**  
Office of the State Auditor & Inspector

**Cindy Byrd, CPA | State Auditor & Inspector**

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | [www.sai.ok.gov](http://www.sai.ok.gov)

---

February 7, 2025

BOARD OF COUNTY COMMISSIONERS  
LOVE COUNTY COURTHOUSE  
MARIETTA, OKLAHOMA 73448

Transmitted herewith is the Love County Treasurer Statutory Report for September 30, 2024. 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 "Cindy Byrd". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR



**OKLAHOMA**  
Office of the State Auditor & Inspector

Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | [www.sai.ok.gov](http://www.sai.ok.gov)

---

Karla Smith, Love County Treasurer  
Love County Courthouse  
Marietta, Oklahoma 73448

Dear Ms. Smith:

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 Love 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.

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

December 17, 2024

**KARLA SMITH, COUNTY TREASURER  
LOVE COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
SEPTEMBER 30, 2024**

---

**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2025-001 – Lack of Internal Controls Over the Bank Reconciliation Process (Repeat Finding – 2023-001, 2024-001)**

**Condition:** Upon inquiry, observation of county records, and reconciliation of the General and Official bank accounts the following was noted:

- The General bank account cannot be reconciled to the general ledger. There was an unidentified reconciling item of \$1,700 deducted from the bank statement balance and documented as “Unidentified” in April 2022.
- Additionally, a total of \$1,247 was reflected as a deposit in transit; however, only \$702 could be identified of the total deposit leaving \$545 unidentified.
- The monthly report for the Official Depository bank account reflects a \$31,163 reconciling item documented as variance outstanding. Total outstanding vouchers are reflected as \$70,455; however, the County Treasurer reconciled the account on September 27, 2024, and did not post vouchers paid on September 30, 2024, in the software system until October 3, 2024, which would lower the actual outstanding vouchers amount and left an unidentified variance of \$31,163.

**Cause of Condition:** Internal controls have not been designed and implemented by the County Treasurer to identify all reconciling items in the reconciliation of bank statements to the general ledger.

**Effect of Condition:** These conditions can result in unrecorded transactions, misstated financial reports, or misappropriation of funds which would not be detected in a timely manner.

**Recommendation:** The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends management be aware of these conditions and realize that duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective procedures lie in management’s oversight of the office operations and a review of operations while maintaining supporting documentation of designed and implemented internal controls.

**Management Response:**

**County Treasurer:** Reconciling items will be identified in the bank reconciliation processes and we will determine the best corrective action to take in correcting the unidentified errors in the reconciliation of the General bank account and the Official Depository bank account to the general ledger. We are currently working on this with the County Clerk in our reconciliation ledger between our offices hoping this will clear some or all of it up.

**Criteria:** The United States Government Accountability Office’s (*Standards for Internal Control in the Federal Government*) (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as

**KARLA SMITH, COUNTY TREASURER  
LOVE COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
SEPTEMBER 30, 2024**

---

best practices and may be applied as a framework for an internal control system for state, local, and quasi-governmental entities.

The GAO Standards – Section 1 – Fundamental Concepts of Internal Control – OV1.01 states in part:

*Definition of Internal Control*

Internal Control is a process effected by an entity’s oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

The GAO Standards – Principle 16 – Perform Monitoring Activities: 16.05 states in part:

*Internal Control System Monitoring*

Management performs ongoing monitoring of the design and operating effectiveness of the internal control system as part of the normal course of operations. Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations and other routine actions.

Further, accountability and stewardship are overall goals of management in the accounting of funds. An important aspect if 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.



Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | [www.sai.ok.gov](http://www.sai.ok.gov)