

STATUTORY REPORT

LOVE COUNTY TREASURER

December 31, 2012



*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

**LANGDON SPIVEY, COUNTY TREASURER
LOVE COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
DECEMBER 31, 2012**

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Oklahoma State Auditor & Inspector

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February 14, 2013

BOARD OF COUNTY COMMISSIONERS
LOVE COUNTY COURTHOUSE
MARIETTA, OKLAHOMA 73448

Transmitted herewith is the Love County Treasurer Statutory Report for December 31, 2012. 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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Langdon Spivey, Love County Treasurer
Love County Courthouse
Marietta, Oklahoma 73448

Dear Mr. Spivey:

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.

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

February 13, 2013

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2013-1—Subsidiary Reconciliation

Condition: The following exceptions were noted:

- Reconciliations were not performed between the general ledger and the official depository.
- Ledgers are not maintained for schools and municipalities.

Cause of Condition: Policies and procedures have not been designed and implemented to maintain subsidiary ledgers for schools and municipalities or to reconcile the official depository ledger to the general ledger.

Effect of Condition: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends that the subsidiary ledgers be maintained and reconciled to the general ledger on a monthly basis.

Management Response: This will be corrected.

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 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.

Finding 2013-2—Bank Reconciliations

Condition: The General Fund Account reconciliation for December 31, 2012, reflected an unidentified credit card receipt amount of \$710.50. A credit card payment was received by the Treasurer's office for payment of ad valorem taxes. Receipts were not promptly issued and applied as payment to the tax parcels. As a result, the Treasurer cannot determine where these funds should be credited.

Cause of Condition: Receipts were not timely issued when the payments were made.

Effect of Condition: Ad valorem collections have not been properly receipted and credited to the respective tax parcels. Further, this amount has not been apportioned to the taxing entities and \$710.50 is held as a balance by the Treasurer.

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Recommendation: OSAI recommends that receipts be timely and accurately prepared to identify source of collections. OSAI also recommends that ad valorem collections be properly remitted to taxing entities on a timely basis. OSAI further recommends that all unknown variances be promptly investigated and reconciled.

Management Response: The variances will be researched and corrected.

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 perform tasks that are part of internal controls, such as preparing receipts for all ad valorem collections with details of parcel number, name, date, and amounts, and reconciling bank balances to the general ledger, are deficiencies in internal control.

Further, 68 O.S. § 2923, requires the ad valorem tax collections to be apportioned and distributed monthly among the different funds to which they belong.

Finding 2013-3—Bank Reconciliation-Official Depository

Condition: The Official Depository Account reconciliation for December 31, 2012, has a variance of \$53.38 in the Sheriff Bond Account.

Cause of Condition: In 2011 the Treasurer registered and issued a voucher in the Sheriff's Bond Account in excess of the balance in the account.

Effect of Condition: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends that all variances be promptly investigated and reconciled. We further recommend that the Treasurer only register vouchers after verifying that sufficient funds are available.

Management Response: The variance will be researched and corrected.

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 perform tasks that are part of internal controls, such as reconciling bank balances to the general ledger, are deficiencies in internal control.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

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