

STATUTORY REPORT

# LOVE COUNTY TREASURER

August 31, 2015



Oklahoma State  
Auditor & Inspector  
Gary A. Jones, CPA, CFE

**LORRY STILLEY, COUNTY TREASURER  
LOVE COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
AUGUST 31, 2015**

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# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

October 14, 2015

BOARD OF COUNTY COMMISSIONERS  
LOVE COUNTY COURTHOUSE  
MARIETTA, OKLAHOMA 73448

Transmitted herewith is the Love County Treasurer Statutory Report for August 31, 2015. 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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Lorry Stilley, Love County Treasurer  
Love County Courthouse  
Marietta, Oklahoma 73448

Dear Ms. Stilley:

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 finding 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, appearing to read "Gary A. Jones".

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

October 14, 2015

**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2016-01 – Bank Reconciliations**

**Condition:** During the review of the bank reconciliations, the following exceptions were noted:

- The General Fund Account reconciliation for August 31, 2015, reflected an unidentified credit card receipt in the 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.
- The General Fund Account reconciliation for August 31, 2015, reflected an unidentified credit card deduction in the amount of \$339.50. A credit card payment was rejected and not removed from the tax parcel payments. Returns were not promptly issued and deducted to the tax parcels; as a result, the Treasurer cannot determine where these funds should be debited.
- The Official Depository Account reconciliation for August 31, 2015, reflected an unidentified variance of \$71.05.

**Cause of Condition:** Receipts were not timely issued when the payments were made. Returns were not reconciled in a timely manner, and the subsidiary ledgers were not reconciled to the bank account.

**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.
- Ad valorem collections have not been properly debited to the respective tax parcels when returns were issued. Further, this amount has been apportioned to the taxing entities and \$339.50 is held as a reconciling item by the Treasurer.
- This condition resulted in inaccurate records, and incomplete information.
- This condition could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds. Reconciling items should be cleared on a timely basis.

**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 the subsidiary ledgers be reconciled to the general ledger and bank statements on a monthly basis and that all unknown variances be promptly investigated and reconciled.

**Management Response:** We are not able to credit the payment to the respective tax parcels due to a change in the credit card systems. Since we had a change in credit card systems we do not have access to the credit card information to obtain the card users information to credit the respective tax parcel. We will research and correct the variances.

**LORRY STILLEY, COUNTY TREASURER  
LOVE COUNTY, OKLAHOMA  
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**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, bank reconciliations not being signed and approved by someone other than the preparer are deficiencies of 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.



**OFFICE OF THE STATE AUDITOR & INSPECTOR**  
2300 N. LINCOLN BOULEVARD, ROOM 100  
OKLAHOMA CITY, OK 73105-4896

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