

**LOVE
COUNTY
TREASURER**

OCTOBER 30, 2009

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**LANGDON SPIVEY, COUNTY TREASURER
LOVE COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
OCTOBER 30, 2009**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

January 11, 2010

BOARD OF COUNTY COMMISSIONERS
LOVE COUNTY COURTHOUSE
MARIETTA, OKLAHOMA 73448

Transmitted herewith is the Love County Treasurer Statutory Report for October 30, 2009. The engagement was conducted in accordance with 74 O.S. § 212.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of our engagement.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the State to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

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Langdon Spivey, 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 for October 30, 2009:

- Review bank reconciliations, visually verify certificates of deposit, and confirm investments.
- Determine whether subsidiary records reconcile to the general ledger.
- Review pledged collateral securing deposits and invested funds.

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 general-purpose financial statements of Love County.

Based on the above reconciliations, visual verification, and confirmation procedures performed, the cash and investments of the County are supported by bank records and are adequately secured by pledged collateral to prevent loss in the event of a bank failure. Subsidiary records reconcile to the general ledger. With respect to the matter of segregation of duties and a negative account balance on the Official Depository Ledger, our findings are included in the accompanying schedule of findings and responses.

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.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

November 16, 2009

**LANGDON SPIVEY, COUNTY TREASURER
LOVE COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
OCTOBER 30, 2009**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2010–1–Segregation of Duties

Criteria: Accountability and stewardship are overall goals of management in accounting of funds. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization should be segregated.

Condition: The Treasurer's office has three full-time employees. The Treasurer and all three employees issue receipts and prepare deposits. The 1st deputy prepares the bank reconciliations. There is no review or approval of these functions other than the employee performing the task.

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

Recommendation: OSAI recommends management be aware of these conditions and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The receipting, depositing, and reconciliations should be performed by separate individuals and approved and reviewed by someone other than the preparer.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's finding. Management does have knowledge of office operations and will perform a periodic review of these operations.

Finding 2010–2–Negative Balance on the Official Depository Ledger

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 verifying that there is sufficient cash on hand prior to registering vouchers are deficiencies in internal controls.

Condition: The County Treasurer's Official Depository Ledger reflects a negative balance for the County Sheriff's Bond Account of (\$90.88).

Effect: This condition results in the occurrence of expenditures without adequate funds.

Recommendation: OSAI recommends that no vouchers be registered if monies are not available.

Views of responsible officials and planned corrective actions: The County Treasurer's office has discussed this issue with the County Sheriff's office and will try to get the County Sheriff to resolve this matter.



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

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