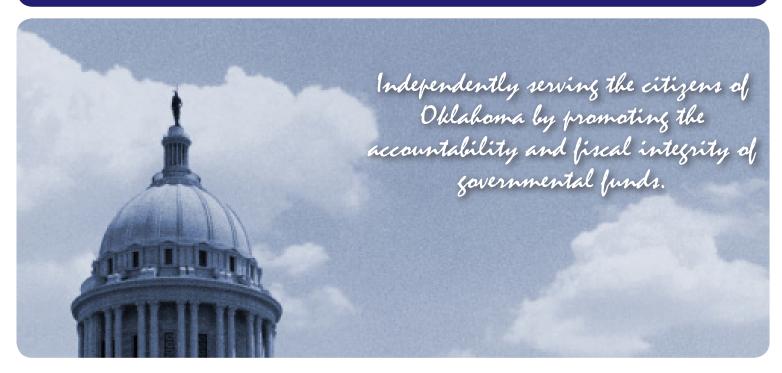
STATUTORY REPORT

MAYES COUNTY TREASURER

January 30, 2012





Oklahoma State Auditor & Inspector Gary A. Jones, CPA, CFE DEMECIA FRANKLIN, COUNTY TREASURER MAYES COUNTY, OKLAHOMA TREASURER STATUTORY REPORT JANUARY 30, 2012

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Oklahoma State Auditor & Inspector

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June 5, 2012

BOARD OF COUNTY COMMISSIONERS MAYES COUNTY COURTHOUSE PRYOR, OKLAHOMA 74361

Transmitted herewith is the Mayes County Treasurer Statutory Report for January 30, 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,

GARY A. JONES, CPA, CFE

OKLAHOMA STATE AUDITOR & INSPECTOR

Oklahoma State Auditor & Inspector

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Demecia Franklin, Mayes County Treasurer Mayes County Courthouse Pryor, Oklahoma 74361

Dear Ms. Franklin:

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 Mayes 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 1, 2012

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2012-1 – Segregation of Duties

Condition: A lack of segregation of duties exists in the Treasurer's Office because all employees open mail, total remittances, receipt monies, mail billings, and prepare, sign, and post vouchers. All employees can change the tax penalty amount when a payment is made. These changes are not tracked. Furthermore, one employee receipts monies and performs the reconciliations for the general fund account on a daily and monthly basis.

Effect on Condition: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

Cause of Condition: Procedures have not been designed to adequately segregate the duties.

Recommendation: OSAI recommends management provide segregation of duties so that no one employee is able to perform all accounting functions.

Management Response: Management did not respond.

Criteria: To help ensure a proper accounting of funds, key duties and responsibilities should be segregated among different individuals to reduce the risk of error or fraud. No one individual should have the ability to authorize transactions, have physical custody of assets, and record transactions.



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