



MAYES COUNTY TREASURER

Statutory Report

April 30, 2023

Cindy Byrd, CPA
State Auditor & Inspector

**BOBBIE MARTIN, COUNTY TREASURER
MAYES COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
APRIL 30, 2023**

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) 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.



June 29, 2023

BOARD OF COUNTY COMMISSIONERS
MAYES COUNTY COURTHOUSE
PRYOR, OKLAHOMA 74361

Transmitted herewith is the Mayes County Treasurer Statutory Report for April 30, 2023. 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".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR



Bobbie Martin, Mayes County Treasurer
Mayes County Courthouse
Pryor, Oklahoma 74361

Dear Ms. Martin:

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.

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

June 27, 2023

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2023-001 – Lack of Internal Controls Over Pledged Collateral and Noncompliance with State Statute

Condition: Upon inquiry of the County Treasurer, observation, and review of documents regarding the pledged collateral process, the following was noted:

- On the date of our review, April 30, 2023, the County’s deposits, at one (1) financial institution, were under-collateralized by \$7,357.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure that funds on deposit with financial institutions are adequately secured.

Effect of Condition: This condition resulted in noncompliance with state statute and could result in the loss of County funds.

Recommendation: The Oklahoma State Auditor and Inspector (OSAI) recommends that the County Treasurer design and implement policies and procedures to ensure all funds held in the County’s name or under the County’s Employee Identification Number (EIN) are adequately secured by pledged collateral securities or letters of credit with each financial institution in accordance with state statute.

Management Response:

County Treasurer: This is due to the market value of the pledged collateral dropping. Once I realized this had occurred, I called, and I had the bank increase the pledged collateral by \$40,000.

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 best practices and may be applied as a framework for an internal control system for state, local, and quasigovernmental

The GAO Standards - Principle 13 – Use Quality Information – 13.04 states:

Relevant Data from Reliable Sources

Management obtains relevant data from reliable internal and external sources in a timely manner based on the identified information requirements. Relevant data have a logical connection with, or bearing upon, the identified information requirements. Reliable internal and external sources provide data that are reasonably free from error and bias and faithfully represent what they purport to represent. Management evaluates both internal and external sources of data for reliability. Sources of data can be operational, financial, or compliance related. Management obtains data on a timely basis so that they can be used for effective monitoring.

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Title 62 O.S. § 517.4.A. states, “A treasurer of a public entity shall require that financial institutions deposit collateral securities or instruments to secure the deposits of the public entity in each such institution. The amount of collateral securities or instruments to be pledged for the security of public deposits shall be established by the treasurer of the public entity consistent with the provisions of the Security for Local Public Deposits Act; provided, such amount shall not be less than the amount of the deposit to be secured, less the amount insured.”

O·K·L·A·H·O·M·A
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STATE AUDITOR & INSPECTOR



Cindy Byrd, CPA | State Auditor & Inspector

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