

**MAYES
COUNTY
TREASURER**

MARCH 31, 2009

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**DEMECIA FRANKLIN, COUNTY TREASURER
MAYES COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
MARCH 31, 2009**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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November 2, 2009

BOARD OF COUNTY COMMISSIONERS
MAYES COUNTY COURTHOUSE
PRYOR, OKLAHOMA 74361

Transmitted herewith is the Mayes County Treasurer Statutory Report for March 31, 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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Demecia Franklin, 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 for March 31, 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 Mayes County.

Based on the above visual verification and confirmation procedures performed, cash and investments of the County are adequately secured to prevent loss in the event of a bank failure. With respect to bank reconciliations, subsidiary records reconciling to the general ledger, and segregation of duties, 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

April 20, 2009

**DEMECIA FRANKLIN, COUNTY TREASURER
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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2009-1 – Segregation of Duties

Criteria: Accountability and stewardship are overall goals in evaluating management's 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: Based on inquiries of personnel and test work performed, it was noted that receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization within the Treasurer's office were not properly segregated to assure adequate internal control structure.

Effect: This condition 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 most effective controls lie in management's knowledge of office operations and a periodic review of operations.

Views of responsible officials and planned corrective actions: The problems listed in the report will be corrected. Thank you for bringing that to my attention.

Finding 2009-2 – Bank and Subsidiary Ledger Reconciliations

Criteria: Internal control is a process effected by management to achieve the overall goals of accountability and stewardship. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Condition: OSAI noted the following:

- Reconciliations are not being approved by someone other than the preparer,
- Interest on investment #267278 was not recorded on the general ledger.

Effect: These conditions result in errors and omissions occurring and not being detected, and could result in misappropriation of funds.

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Recommendation: OSAI recommends management take steps to ensure that all bank reconciliations are approved and reviewed by someone other than the preparer to ensure that interest paid to the County is recorded on the general ledger.

Views of responsible official and planned corrective actions: The problems listed in the report will be corrected. Thank you for bringing that to my attention.



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