

STATUTORY REPORT

MCCURTAIN COUNTY TREASURER

October 31, 2016



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

**LINDA LASTER, COUNTY TREASURER
MCCURTAIN COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
AS OF OCTOBER 31, 2016**

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Oklahoma State Auditor & Inspector

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February 3, 2017

BOARD OF COUNTY COMMISSIONERS
MCCURTAIN COUNTY COURTHOUSE
MCCURTAIN, OKLAHOMA 74745

Transmitted herewith is the McCurtain County Treasurer Statutory Report for October 31, 2016. 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". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

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



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Linda Laster, McCurtain County Treasurer
McCurtain County Courthouse
McCurtain, Oklahoma 74745

Dear Ms. Laster:

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 McCurtain 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

November 29, 2016

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2017-1 – Subsidiary Ledger Not Reconciled to General Ledger (Repeat Finding)

Condition: Reconciliations were not performed between the subsidiary ledgers and the following funds listed on the general ledger.

- An unidentified variance of \$12,506 was noted for municipalities.
- An unidentified variance of \$58,452 was noted for schools.
- An unidentified variance of \$54,427 was noted for vo-tech.
- An unidentified variance of \$23,042 was noted for emergency medical service.
- An unidentified variance of \$157,092 was noted for library.

Cause of Condition: Policies and procedures have not been designed and implemented to monitor and reconcile subsidiary accounts to the general ledger.

Effect of Condition: This condition could result in incomplete and inaccurate amounts being reported on the general ledger and the subsidiary ledgers.

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends that the subsidiary ledgers be maintained and reconciled to the general ledger on a monthly basis.

Management Response: We have worked on this for several months but have not fixed the situation. We will fix this soon.

Criteria: Safeguarding controls are an important 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 maintaining subsidiary ledgers and reconciling them to the general ledger, are deficiencies in internal control.



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