

STATUTORY REPORT

# MCCURTAIN COUNTY TREASURER

January 29, 2010



*Independently serving the citizens of  
Oklahoma by promoting the  
accountability and fiscal integrity of  
governmental funds.*



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

**JoANN STRAWN, COUNTY TREASURER  
McCURTAIN COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
JANUARY 29, 2010**

---

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](http://www.sai.ok.gov)) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to 74 O.S. § 3105.B.



# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

February 14, 2011

BOARD OF COUNTY COMMISSIONERS  
McCURTAIN COUNTY COURTHOUSE  
IDABEL, OKLAHOMA 74745

Transmitted herewith is the McCurtain County Treasurer Statutory Report for January 29, 2010. 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 "Gary A. Jones".

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



# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

JoAnn Strawn, County Treasurer  
McCurtain County Courthouse  
Idabel, Oklahoma 74745

Dear Ms. Strawn:

For the purpose of complying with 74 O.S. § 212, we have performed the following procedures for January 29, 2010:

- 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 McCurtain County.

Based on the above bank reconciliations, visual verification, and confirmation procedures performed, the cash and investments of the County are supported by bank records. With respect to subsidiary ledgers and pledged collateral, our findings are presented 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 "Gary A. Jones".

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

June 9, 2010

## **SCHEDULE OF FINDINGS AND RESPONSES**

### **Finding 2010-1—Subsidiary Ledgers**

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 maintaining subsidiary ledgers and reconciling them to the general ledger, are deficiencies in internal control.

Condition: The following exceptions were noted:

- A reconciliation was not performed between the general and investment ledgers.
- Ledgers for schools and municipalities are not being updated in a timely manner.
- Interest earned on the Edward D. Jones Investment of \$13,473.31 is not recorded on the investment ledger or general ledger.
- Investments for the City of Smithville on the General Ledger showed \$90,211.71 and the Investment Ledger showed \$90,366.91 for a variance of \$155.20.
- McCurtain County National Investments on the General Ledger showed \$550,002.40 and the Investment Ledger showed \$445,092.02 for a variance of \$104,910.38.
- Investments for FHWA on the General Ledger showed \$309.76 and the Investment Ledger showed \$311.56 for a variance of \$1.80.

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

Recommendation: OSAI recommends that the subsidiary ledgers be maintained and reconciled to the general ledger on a monthly basis.

Views of responsible officials and planned corrective actions: McCurtain County Treasurer stated she is severely under staffed and that until she can fill these positions this finding will be hard to correct. The County Treasurer also stated she and the 1<sup>st</sup> Deputy made the corrections they needed to make.

**JoANN STRAWN, COUNTY TREASURER  
McCURTAIN COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
JANUARY 29, 2010**

---

**Finding 2010-2—Pledged Collateral**

Criteria: Title 62 O.S. § 517.4.A states in part:

A treasurer of a public entity shall require financial institutions to deposit collateral securities or instruments to secure public deposits in excess of deposit insurance.

Condition: The McCurtain County Treasurer's Office had deposits with McCurtain County National Bank in excess of deposit insurance at January 29, 2010. At January 29, 2010, the County was underpledged \$8,924,974.53. Also, the McCurtain County Treasurer's Office has investments with Edward Jones totaling \$65,888.17 that was not collateralized as of January 29, 2010.

Effect: This condition could result in the loss of county funds.

Recommendation: OSAI recommends that the Treasurer require all financial institutions to deposit collateral securities or instruments to secure public deposits in excess of deposit insurance.

Views of responsible officials and planned corrective actions: The McCurtain County Treasurer stated she agrees with OSAI but she checked with McCurtain County National Bank when they started collecting taxes to make sure they have pledged enough to keep them covered and they assured her they are always covered. The County Treasurer also stated the Tourism Authority Board requested their investments be made at Edward Jones because they make more money with them than they can with the bank. The County Treasurer stated she would contact them and let them know they are not covered.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

2300 N. LINCOLN BOULEVARD, ROOM 100

OKLAHOMA CITY, OK 73105-4896

[WWW.SAI.OK.GOV](http://WWW.SAI.OK.GOV)