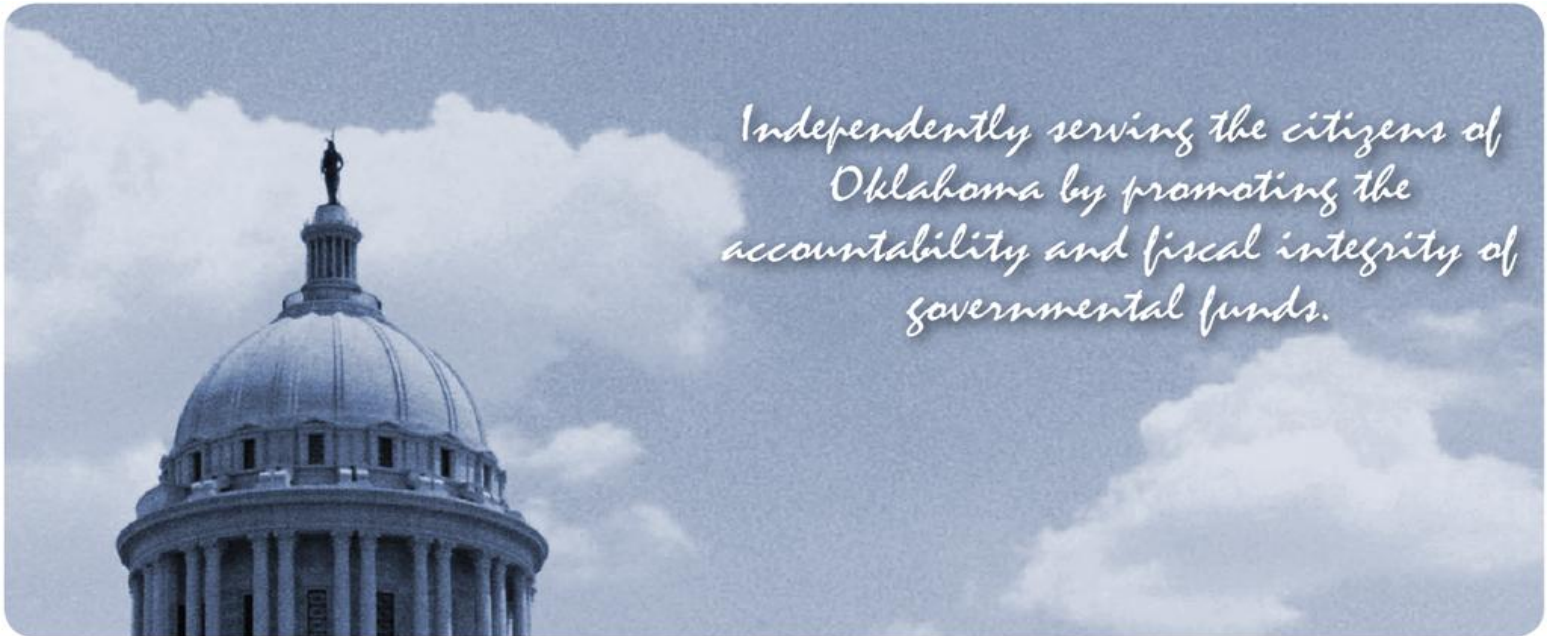


STATUTORY REPORT

MURRAY COUNTY TREASURER

September 30, 2015



*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

**JUDY WELLS, COUNTY TREASURER
MURRAY COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
SEPTEMBER 30, 2015**

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Oklahoma State Auditor & Inspector

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

November 25, 2015

BOARD OF COUNTY COMMISSIONERS
MURRAY COUNTY COURTHOUSE
SULPHUR, OKLAHOMA 73086

Transmitted herewith is the Murray County Treasurer Statutory Report for 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, appearing to read "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

Judy Wells, Murray County Treasurer
Murray County Courthouse
Sulphur, Oklahoma 73086

Dear Ms. Wells:

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 Murray 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 16, 2015

**JUDY WELLS, COUNTY TREASURER
MURRAY COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
SEPTEMBER 30, 2015**

Finding 2016-1 - Negative Fund Balance

Condition: Encumbrances were made, with regards to payroll for the month of September 2015, and warrants were issued out of the Sheriff Emergency 911 Fund and the Court Clerk Payroll in excess of the fund balance. This resulted in a negative balance of \$26,830.33 and \$6,650.60 respectively on the general ledger at September 30, 2015.

Cause of Condition: Procedures have not been implemented to provide assurance that a deficit fund balance does not occur with regards to the encumbrance and payment of disbursements.

Effect of Condition: This condition resulted in noncompliance with state statutes that requires the certification of available funds prior to encumbrances being made.

Recommendation: The Oklahoma State Auditor & Inspector's Office recommends County Officials establish procedures to provide assurance that a sufficient fund balance exists prior to the issuance of warrants.

Management Response:

County Treasurer: The funds were receipted and deposited, however the apportionments were not done until the day after payroll. I will discuss this issue with the Board of County Commissioners and the Excise Board to see how this can be corrected.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. An important aspect of procedures is the safeguarding of assets. Procedures over safeguarding of assets constitute a process, affected by an entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from misappropriation.

Title 62 O.S. § 551 states, "It shall be the duty of the State Treasurer and each county, city, or town treasurer to pay on presentation any check, warrant or order properly drawn on any funds in his custody by virtue of his office, when there is cash sufficient in such fund to do so and when any check, warrant or order is paid, such treasurer shall maintain evidence such check or warrant has been processed and paid."

Title 62 O.S. § 310.2 states, "The clerk of each county or encumbering officer of the municipality shall keep a record in such form as prescribed by the State Auditor and Inspector in which shall be kept an exact account of each appropriation as made by the county excise board as departmentalized for each department of government or as made by the municipal governing body as authorized by law. The amount and purpose of each purchase order or contract shall be charged against the appropriation as made by the excise board or governing body at the time purchase is made or contract let and the balance in the appropriation account after such charges are deducted shall constitute the unencumbered balance available. No purchase order shall be paid until approved by the officer, board or commission having charge of the office or department for which the

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MURRAY COUNTY, OKLAHOMA
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appropriation is available and from which such payment is proposed to be made, provided that no indebtedness for any purpose shall be incurred in excess of the appropriation for that purpose and provided that the county and municipal officers referred to herein are made responsible on their official bond for any and all indebtedness incurred by them. Each county or municipal officer in charge of a department or appropriation account shall be allowed to incur indebtedness against all appropriations within his department under the regulations as provided for herein, except when otherwise provided by law; and provided further, that only those municipal officers and employees designated by the governing board shall have authority to obligate the municipality.”



OFFICE OF THE STATE AUDITOR & INSPECTOR
2300 N. LINCOLN BOULEVARD, ROOM 100
OKLAHOMA CITY, OK 73105-4896

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