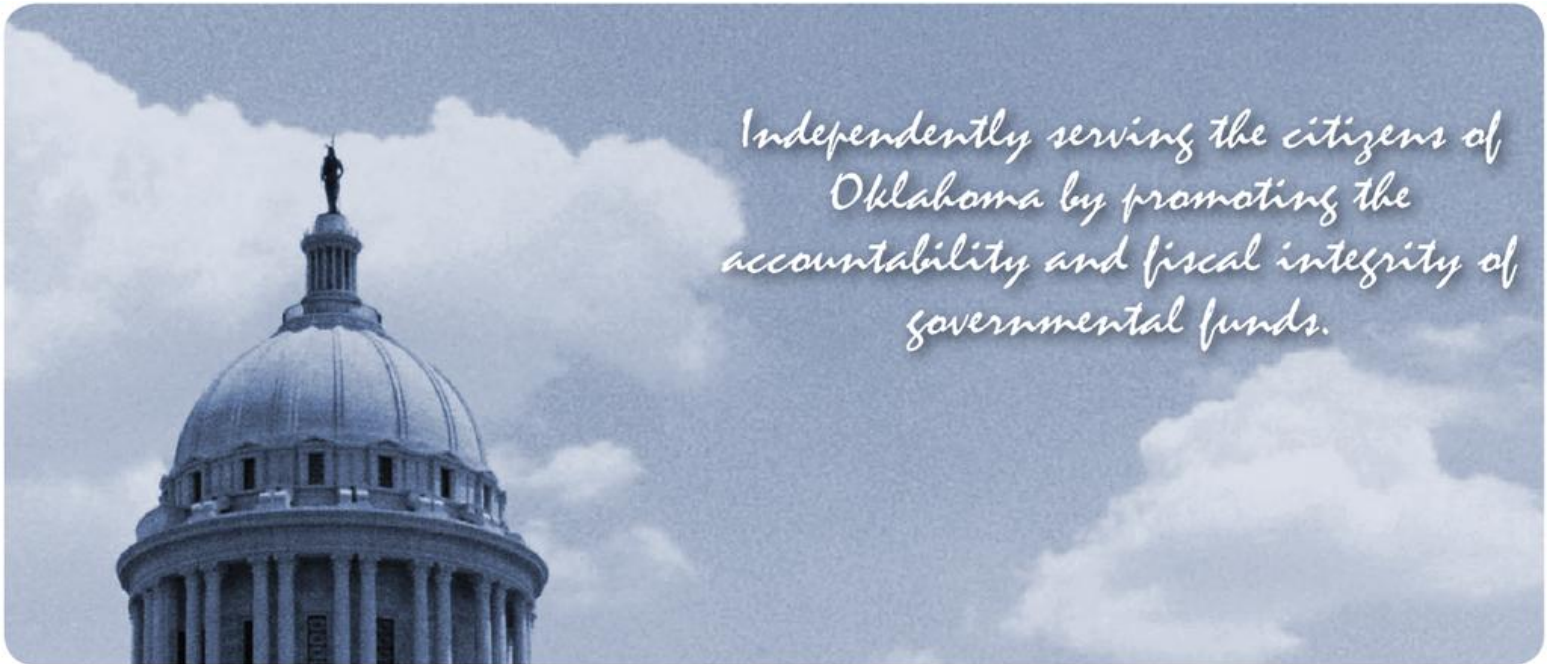


STATUTORY REPORT

OKFUSKEE COUNTY TREASURER

February 18, 2016



*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

**LORI THOMAS, COUNTY TREASURER
OKFUSKEE COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
FEBRUARY 18, 2016**

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 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

March 28, 2016

BOARD OF COUNTY COMMISSIONERS
OKFUSKEE COUNTY COURTHOUSE
OKEMAH, OKLAHOMA 74859

Transmitted herewith is the Okfuskee County Treasurer Statutory Report for February 18, 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".

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

Lori Thomas, Okfuskee County Treasurer
Okfuskee County Courthouse
Okemah, Oklahoma 74859

Dear Ms. Thomas:

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 Okfuskee 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.

A handwritten signature in blue ink, appearing to read "Gary A. Jones".

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

March 14, 2016

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2016-1 – Inadequate Internal Controls Over Bank Reconciliations and Posting to the General Ledger

Condition: While performing the Treasurer’s Statutory Review of February 18, 2016, we noted the following:

- Bank reconciliations are not performed in a timely manner, the last reconciliation performed was for June 30, 2015.
- Bank balances are not reconciled to the general ledger.
- The County Treasurer’s office has not submitted their monthly reports to the Oklahoma State Auditor & Inspector’s Office (OSAI) since June 30, 2015.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure all bank reconciliations are prepared in a timely manner and to ensure that the County Treasurer’s office posts to the general ledger on a daily basis.

Effect of Condition: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends all accounts be reconciled to the general ledger in a timely manner and that the County Treasurer’s office posts to the general ledger on a daily basis, and submit the monthly reports to OSAI in a timely manner.

Management Response:

County Treasurer: We are currently working to correct the issues. We are in the process of timely reconciling the bank statements to the general ledger each month and submitting the monthly reports to the State Auditor’s office. We have purchased a new computer software system and are currently inputting our records into the system. Once this is complete, it will assist in reconciling the bank to general ledger timely and creating the monthly reports. We plan on having the new system in place by the end of April.

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, bank reconciliations should be performed on all bank accounts on a monthly basis and reconciled to the general ledger and monthly reports should be timely submitted to OSAI.



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

WWW.SAI.OK.GOV