

STATUTORY REPORT

PAWNEE COUNTY TREASURER

April 30, 2014



*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

**CARRIE TATUM, COUNTY TREASURER
PAWNEE COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
APRIL 30, 2014**

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Oklahoma State Auditor & Inspector

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May 23, 2014

BOARD OF COUNTY COMMISSIONERS
PAWNEE COUNTY COURTHOUSE
PAWNEE, OKLAHOMA 74058

Transmitted herewith is the Pawnee County Treasurer Statutory Report for April 30, 2014. 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

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Carrie Tatum, Pawnee County Treasurer
Pawnee County Courthouse
Pawnee, Oklahoma 74058

Dear Ms. Tatum:

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 Pawnee 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

May 13, 2014

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2014-1—Bank Reconciliations

Condition: While performing the Treasurer’s Review on May 7, 2014, we noted the following:

- There was no indication noted on the reconciliations performed that they are reviewed and approved by someone other than the preparer.
- We were unable to obtain the general ledger balance for May 7, 2014, due to an EFT deposit error in the County Clerk’s office. The County Clerk could not correct the error because the server and internet was down. Due to these circumstances all balances and investments were confirmed as of April 30, 2014.

Cause of Condition: Procedures have not been designed to ensure all bank reconciliations are reviewed and approved by someone other than the preparer and not having a proper back up procedure in place to ensure server and internet problems can be repaired in a timely manner.

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

Recommendation: The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends all accounts be reconciled on a monthly basis and in a timely manner and that the Treasurer ensures that all bank reconciliations reflect an indication of review and documenting approval by someone other than the preparer. OSAI further recommends procedures be in place to allow day to day operations to continue during an information technology issue and ensure server and internet problems are repaired timely.

Management Response: The Treasurer has put procedures in place to ensure on a monthly basis, that the Treasurer or someone other than the preparer is reviewing all bank reconciliations and initialing and dating them as an indication of review and approval.

The error on the EFT deposit was brought to the attention of the County Clerk and she was unable to correct the problem at the time due to the server and internet being down. The County Clerk ordered the equipment needed to repair the problem, which took a few days, and then contacted their computer software provider to correct the error; then we were able to update the daily ledgers for May.

Criteria: To help ensure a proper accounting of funds, bank reconciliations should be performed on all bank accounts on a monthly basis and reconciliations should be reviewed and approved by someone other than the preparer and include an indication of review. Furthermore, procedures should be in place to allow day to day operations to continue during an information technology issue.



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