

STATUTORY REPORT

PAYNE COUNTY TREASURER

May 28, 2013



*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

**BONITA STADLER, COUNTY TREASURER
PAYNE COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
MAY 28, 2013**

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Oklahoma State Auditor & Inspector

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June 28, 2013

BOARD OF COUNTY COMMISSIONERS
PAYNE COUNTY COURTHOUSE
STILLWATER, OKLAHOMA 74074

Transmitted herewith is the Payne County Treasurer Statutory Report for May 28, 2013. 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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Bonita Stadler, Payne County Treasurer
Payne County Courthouse
Payne, Oklahoma 74074

Dear Ms. Stadler:

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 Payne 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

June 19, 2013

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2013-1— Bank Reconciliations

Condition: Based on review performed, there was no indication that bank reconciliations were reviewed and approved by someone other than the preparer.

Cause of Condition: Procedures have not been designed to ensure all reconciliations are reviewed and approved by someone other than the preparer.

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

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends that the County Treasurer ensures that all bank reconciliations reflect an indication of review, documenting approval by someone other than the preparer.

Management Response: The County Treasurer will review the bank reconciliations, with the general ledger to the bank statement, including the reconciliation items and will include an indication of review. In the absence of the County Treasurer, the back-up bookkeeper and first deputy, will perform this process.

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.

Finding 2013-2— Segregation of Duties

Condition: The Official Depository ledger balance was short \$203.00 to the Official Depository balance noted on the general ledger.

Cause of Condition: Procedures have not been designed to ensure subsidiary ledger balances reconcile to balances noted on the general ledger.

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

Recommendation: OSAI recommends a subsidiary ledger balances be reconciled to general ledger balances on a monthly basis.

Management Response: The ledger balances will be reconciled to the account balances of the general ledger. Management did not realize there was an Official Depository Control Totals by Department

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capability available through the computer system. In the future, management plans to use this information in further reconciling the account balances to the general ledger on a monthly basis.

Criteria: To help ensure a proper accounting of funds, ledgers should be maintained on all subsidiary accounts and those ledger balances should reconcile to the account balances noted on the general ledger.



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