

STATUTORY REPORT

# SEQUOYAH COUNTY TREASURER

January 31, 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

**TRICIA YATES, COUNTY TREASURER  
SEQUOYAH COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
JANUARY 31, 2013**

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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

October 15, 2013

BOARD OF COUNTY COMMISSIONERS  
SEQUOYAH COUNTY COURTHOUSE  
SALLISAW, OKLAHOMA 74955

Transmitted herewith is the Sequoyah County Treasurer Statutory Report for January 31, 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". The signature is fluid and cursive, with the first name "Gary" being the most prominent.

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



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Tricia Yates, Sequoyah County Treasurer  
Sequoyah County Courthouse  
Sallisaw, Oklahoma 74955

Dear Ms. Yates:

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 Sequoyah 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

April 2, 2013

**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2013-1—Cities and Towns Subsidiary Ledger Not Reconciled to the General Ledger**

**Condition:** The following exception was noted:

- Reconciliation was not performed between the general ledger and cities and towns ledger; an unidentified variance of \$1,121.82 was noted.

**Cause of Condition:** Procedures have not been designed to monitor and reconcile subsidiary accounts to the general ledger.

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

**Recommendation:** The Oklahoma State Auditor & Inspector's Office (OSAI) recommends that the cities and towns ledgers be maintained and reconciled to the general ledger on a monthly basis.

**Management Response:** This has been brought to my attention and it will be corrected immediately.

**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.

**Finding 2013-2—Segregation of Duties Over Receipting Process**

**Condition:** It was noted that all Treasurer's second deputies, issue receipts and balance their own till at the end of the day. The balanced tills are then given to the first deputy who compares the daily collections report to the receipts, cash, and checks; however, there is no evidence documenting this review.

**Cause of Condition:** Procedures have not been designed adequately segregate the duties related to the receipting process.

**Effect of Condition:** This condition could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

**Recommendation:** OSAI recommends that the individual comparing the collections report to the receipts, cash, and checks document this review was performed by initial and dating the reconciliation.

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**Management Response:** From this day forward, my office will start initialing and dating these transactions.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. An important aspect of internal controls is the safeguarding of assets. Internal controls 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. To help ensure a proper accounting of funds, the duties of receipting, depositing, and reconciling/maintaining ledgers should be segregated.



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