

**SEQUOYAH
COUNTY
TREASURER**

APRIL 30, 2010

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**TRICA YATES, COUNTY TREASURER
SEQUOYAH COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
APRIL 30, 2010**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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June 9, 2010

BOARD OF COUNTY COMMISSIONERS
SEQUOYAH COUNTY COURTHOUSE
SALLISAW, OKLAHOMA 74955

Transmitted herewith is the Sequoyah County Treasurer Statutory Report for April 30, 2010. The engagement was conducted in accordance with 74 O.S. § 212.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of our engagement.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the State to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

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Trica Yates, 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 for April 30, 2010:

- Review bank reconciliations, visually verify certificates of deposit, and confirm investments.
- Determine whether subsidiary records reconcile to the general ledger.
- Review pledged collateral securing deposits and invested funds.

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 general-purpose financial statements of Sequoyah County.

Based on the above visual verification and confirmation procedures performed, the cash and investments of the County are supported by bank records and are adequately secured to prevent loss in the event of a bank failure. With respect to the reconciliations of the federal tax account, our finding is presented in the accompanying schedule of findings and responses.

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.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

May 28, 2010

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2010-1 – Bank Reconciliations and Federal Tax Account

Criteria: Title 19 O.S. § 642 states in part:

The county treasurer shall keep a cash book, in which he shall enter an account of all money by him received...

Accountability and stewardship are overall goals in evaluating management's accounting of funds. To help ensure a proper accounting of funds, a reconciliation should be performed on a monthly basis between the Treasurer's general ledger and the banks. The reconciliation should be approved by someone other than the preparer.

Condition: From test work performed, we noted the Federal Tax Account in the County's name and tax identification number, with a balance of \$59,727.89, was not on the Treasurer's General Ledger and was not being reconciled by the Treasurer's office.

Effect: Without a bank reconciliation and disclosure on the general ledger, this increases the risk of misappropriation of County monies.

Recommendation: OSAI recommends all accounts be reconciled on a monthly basis and in a timely manner, and be approved by someone other than the preparer. Also, the Federal Tax account activities should be included on the General Ledger.

Views of responsible officials and planned corrective actions: The same finding has been mentioned in previous reports. When I spoke with Tom Marten, our computer programmer, he informed me there is no way to list the Federal Tax Account on our General Ledger because that is not County monies. The Federal Tax Account is used only for the federal tax holdings, whereas the amount shown on the General Ledger is County money. The said Federal Tax account is reconciled by the County Clerk monthly. Each monthly statement is compiled in a binder designated for FEDERAL TAX WITHHOLDINGS only, located in the County Treasurer's office. A duplicate copy is given to the County Clerk monthly and that time the account is reconciled.

OSAI Response: The Federal Tax Account and the Federal Tax Bank Account should be added to the County's General Ledger.



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