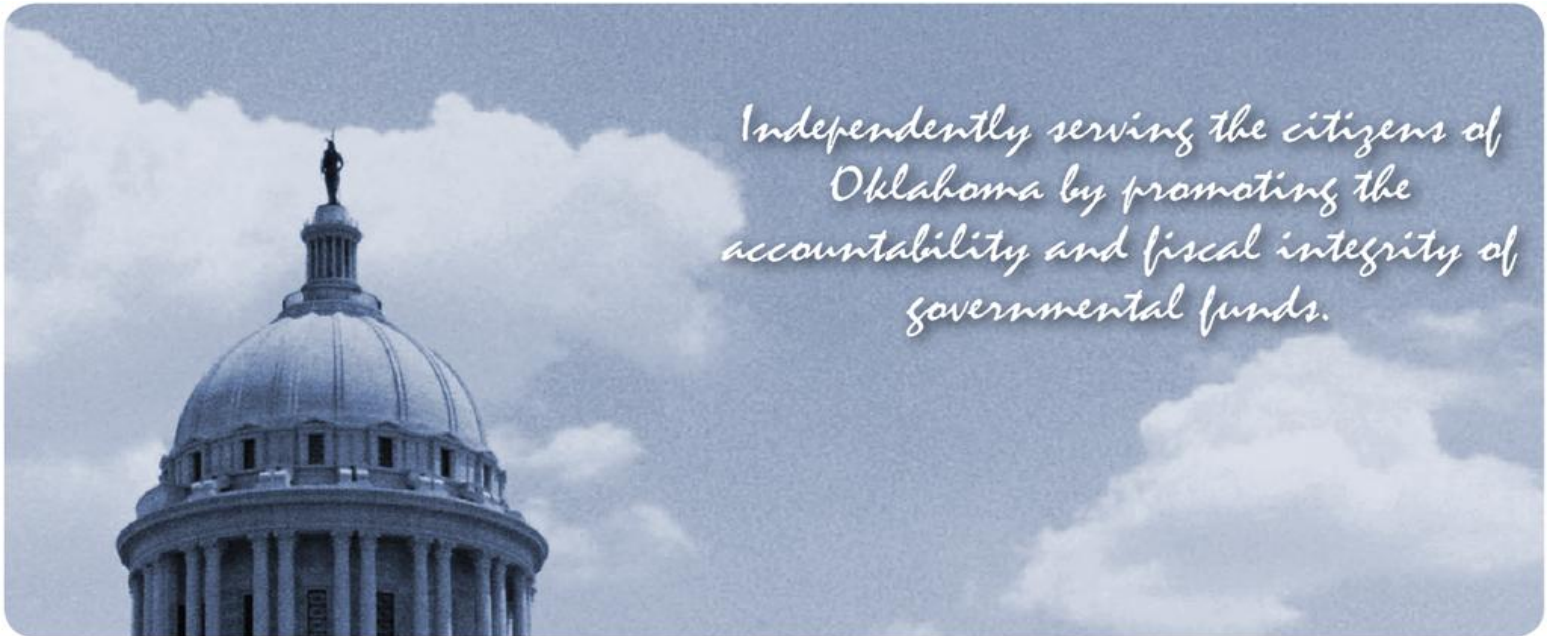


STATUTORY REPORT

# WAGONER COUNTY TREASURER

May 31, 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

**DANA PATTEN, COUNTY TREASURER  
WAGONER COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
MAY 31, 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](http://www.sai.ok.gov)) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

August 12, 2016

BOARD OF COUNTY COMMISSIONERS  
WAGONER COUNTY COURTHOUSE  
WAGONER, OKLAHOMA 74467

Transmitted herewith is the Wagoner County Treasurer Statutory Report for May 31, 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, appearing to read "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

Dana Patten, Wagoner County Treasurer  
Wagoner County Courthouse  
Wagoner, Oklahoma 74467

Dear Ms. Patten:

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 Wagoner 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 29, 2016

**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2016-1 – Reconciliation of Investment Ledger to General Ledger**

**Condition:** The County Treasurer’s investment accounts are not being reconciled to bank balances. In addition, the County Treasurer’s investment ledger is not being maintained on an ongoing basis or reconciled to the general ledger. The following was noted during a review of the County Treasurer’s office:

- Certificate of Deposit Account Registry Service (CDARS) is not recorded on the investment ledger. There is an \$843.92 variance between the bank balance and general ledger balance.
- The County opened up an insured cash sweep savings account in December 2015. It is not reflected on the general ledger or the investment ledger. In addition, there is \$11,247.07 of accrued interest that has not been accounted for on the general ledger or investment ledger.
- One (1) certificate of deposit is not recorded on the investment ledger and has a variance of \$12,053.03 between the bank balance and the general ledger balance.
- On the bond investments, there is a \$7,835.02 variance between the bank balance and the general ledger balance.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure all accounts are reconciled, approved, and accurately presented on the general ledger or investment ledger.

**Effect of Condition:** These conditions resulted in unrecorded transactions, misstated financial reports, and undetected errors.

**Recommendation:** The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends that all accounts of the County Treasurer be reconciled monthly. Any variances or discrepancies should be researched immediately and be corrected in a timely manner.

**Management Response:**

**County Treasurer:** Our investment ledger only includes investments that are held at our safekeeping bank for our bond investments. We will work on including the CDARS and CD on the investment ledger. The variance between the CDARS and the general ledger is due to interest accrued that has not been included on the general ledger.

The Insured cash sweep savings account was opened at the request of the bank in December of 2015 to ease the collateral needed for the large deposits made during tax season. It has been monitored and reported in reconciling the monthly statement of the general account. We will add this as a separate line in the general ledger in order to monitor, account for all monies and reconcile this account accurately.

**DANA PATTEN, COUNTY TREASURER  
WAGONER COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
MAY 31, 2016**

---

The variance between the certificate of deposit (CD) and general ledger is due to the fact that our office only receives the interest payment at maturity; however, the bank accrues the interest monthly. Accrued interest will be recorded on the investment ledger going forward.

The bond investments will never balance with the market value of the bonds as that is a variance which cannot be tracked minute by minute as it changes.

All transactions are recorded and reconciled daily and monthly as they are received and are checked by a second person. There are some errors that have been made in the implementation of new accounts created, however, with the auditor's guidance we can make our accounts simpler to reconcile by an outside entity. It will be our goal to make it easier to understand and to check. It is a work in progress as Wagoner County resources for investments expand.

**Criteria:** An important aspect of internal control is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process, affected by the entity's governing body, management, and other personnel, designed to provide reasonable assurance that financial records are timely reconciled and financial ledgers are maintained in an accurate and complete manner. Further, good internal controls would include proper monitoring and reviews for accuracy of financial information.



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

[WWW.SAI.OK.GOV](http://WWW.SAI.OK.GOV)