

STATUTORY REPORT

WAGONER COUNTY TREASURER

August 31, 2017



*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
AUGUST 31, 2017**

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Oklahoma State Auditor & Inspector

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July 9, 2018

BOARD OF COUNTY COMMISSIONERS
WAGONER COUNTY COURTHOUSE
WAGONER, OKLAHOMA 74467

Transmitted herewith is the Wagoner County Treasurer Statutory Report for August 31, 2017. 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 written in a cursive, flowing style.

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



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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.

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

June 12, 2018

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2018-001 – Reconciliation of Investment Ledger to General Ledger

Condition: During our review of County investments we noted the following:

- The County Treasurer’s investment ledger is not being maintained on an ongoing basis or reconciled to the general ledger.
- General ledger balances for bond investments were \$28,022.49 more than actual bank balances.
- General ledger balances for Insured Cash Sweep account (ICS) were \$4,788.57 less than actual bank balances.
- General ledger balances for Certificate of Deposit Account Registry Service Account (CDARS) were \$168.90 less than actual bank balances.

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 and/or investment ledger.

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

Recommendations: 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 corrected in a timely manner.

Management Response:

County Treasurer: The investment ledger is being maintained as we receive reports from the bank or receive deposit notices from our local bank and brought up to date with adjustments as needed to the general ledger. We are aware of errors made early on in setting up the investment ledger, we have not been able to acquire a consensus upon the method to correct those errors to date. General ledger balances cannot be made the same as Market Value because of the volatility of the market, as a result they are monitored to ensure the coverage necessary. The ICS account is being phased out because of lack of communication between the bank and the Treasurer in record keeping. CDARS accounts may also show out of balance at the time of this review due to lag time in receipt of records from the bank. We are taking steps to rectify the condition.

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.



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