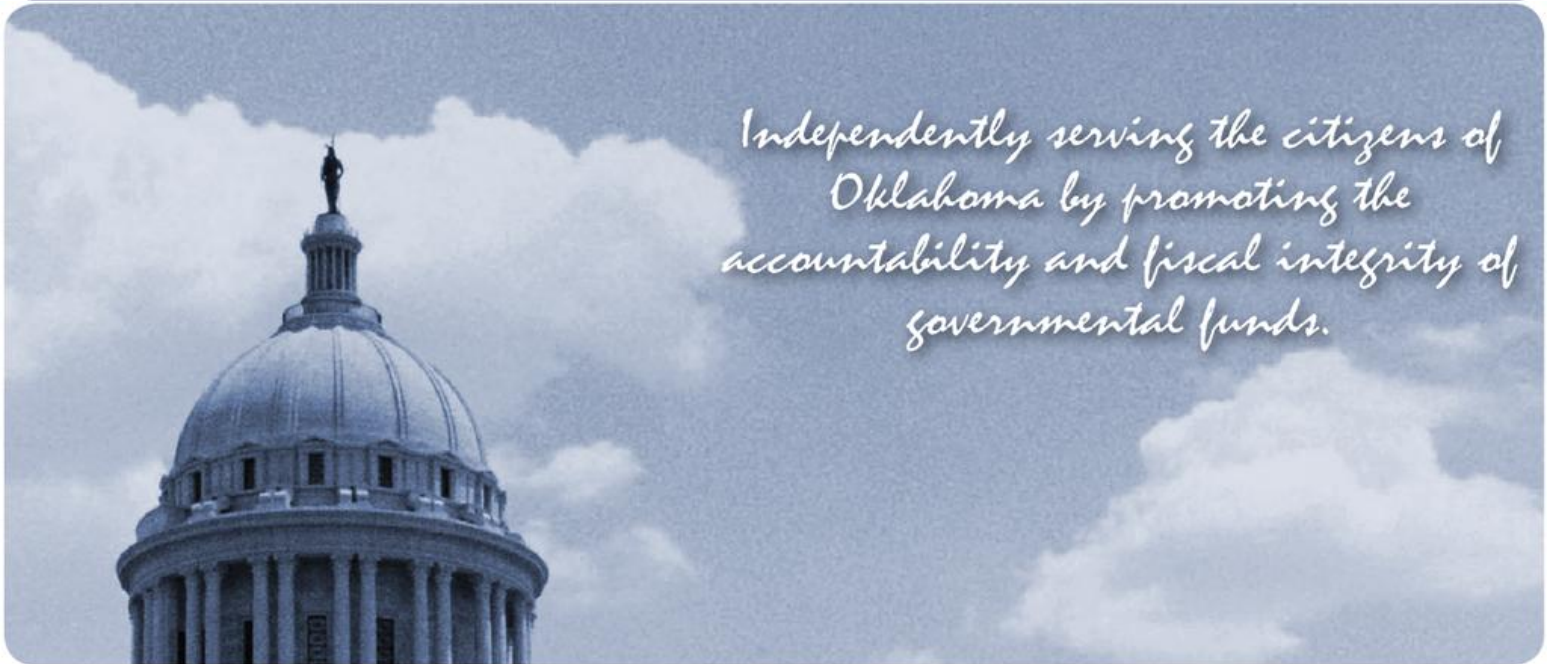


STATUTORY REPORT

ROGERS COUNTY TREASURER

April 30, 2014



*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

**CATHY PINKERTON-BAKER, COUNTY TREASURER
ROGERS COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
APRIL 30, 2014**

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) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to 74 O.S. § 3105.B.



Oklahoma State Auditor & Inspector

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July 2, 2014

BOARD OF COUNTY COMMISSIONERS
ROGERS COUNTY COURTHOUSE
CLAREMORE, OKLAHOMA 74017

Transmitted herewith is the Rogers County Treasurer Statutory Report for April 30, 2014. 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

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

Cathy Pinkerton-Baker, Rogers County Treasurer
Rogers County Courthouse
Claremore, Oklahoma 74017

Dear Ms. Baker:

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 Rogers 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

May 29, 2014

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2014-01 – Bank Reconciliations

Condition: Based on the testwork performed and observation of bank and accounting records, we determined the following weaknesses exist.

- The general fund account and official depository account were not reconciled to the general ledger.
- There is no indication of review of bank reconciliations.

Cause of Condition: Procedures have not been designed to ensure all accounts are reconciled and approved on a monthly basis.

Effect of Condition: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, misappropriation of funds, or clerical errors that are not detected in a timely manner.

Recommendation: The Oklahoma State Auditor & Inspector’s Office (OSAI) recommends that all bank accounts are reconciled to the general ledger on a monthly basis. Also, the reconciliations are to be completed in a timely manner and reviewed and approved by someone other than the preparer.

Management Response: Due to incorrect balances being brought forward on July 1, 2013, we have consulted our IT provider to rectify the situation. They advised us to do a “Version 2” of the bank reconciliation with the correct balances being brought forward. Bank funds are in balance and we are correcting said problem to be in compliance. We are balanced from July 2013 to October 2013 and are working diligently to get all months reconciled to date.

Criteria: Safeguarding controls are an aspect of internal controls. Safeguarding controls relate to the prevention or timely detection of unauthorized transactions and unauthorized access to assets. Failures to perform tasks that are part of internal controls, such as reconciliations not prepared or not timely prepared are deficiencies in internal control. Further, account reconciliations should be performed on a monthly basis.

Finding 2014-06—Subsidiary Ledgers Not Reconciled

Condition: Reconciliations were not performed between the general ledger and subsidiary ledgers.

- An unidentified variance of \$388.87 was noted for official depository.
- An unidentified variance of \$8.61 was noted for cities and towns.

Cause of Condition: Procedures have not been designed to monitor 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: OSAI recommends that the official depository and cities and towns subsidiary ledgers be maintained and reconciled to the general ledger on a monthly basis.

**CATHY PINKERTON-BAKER, COUNTY TREASURER
ROGERS COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
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Management Response: The balance that was out on the official depository to the general ledger reported was due to corrections made and changes were not recollected for that information to reflect on the general ledger. This information has now been changed and correct totals are on general ledger.

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.



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