

**ROGERS
COUNTY
TREASURER**

JUNE 4, 2010

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**CATHY PINKERTON BAKER, COUNTY TREASURER
ROGERS COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
JUNE 4, 2010**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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September 9, 2010

BOARD OF COUNTY COMMISSIONERS
ROGERS COUNTY COURTHOUSE
CLAREMORE, OKLAHOMA 74017

Transmitted herewith is the Rogers County Treasurer Statutory Report for June 4, 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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Cathy Pinkerton Baker, County Treasurer
Rogers County Courthouse
Claremore, Oklahoma 74017

Dear Ms. Pinkerton Baker:

For the purpose of complying with 74 O.S. § 212, we have performed the following procedures for June 4, 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 Rogers County.

Based on the above reconciliations, visual verification, and confirmation procedures performed, cash and investments of the County are supported by accounting and bank records, and are adequately secured to prevent loss in the event of a bank failure. However, we noted matters in regards to segregation of duties and the reviewing of bank reconciliations, and our findings are 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

June 14, 2010

**CATHY PINKERTON BAKER, COUNTY TREASURER
ROGERS COUNTY, OKLAHOMA
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SCHEDULE OF FINDINGS AND RESPONSES

Finding 2010-1 – Segregation of Duties

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, key duties and responsibilities should be segregated among different individuals to reduce the risk of error or fraud. No one individual should have the ability to authorize transactions, have physical custody of assets, and record transactions.

Condition: The following concerns were noted in regards to recording, authorization, custody, and execution of revenue transactions performed by a single employee:

- All employees open the mail, receive money, write receipts, post receipts to cash book, prepare billings, and post payments to customer accounts.
- One deputy, in addition to performing the above tasks, also prepares official depository tickets and reconciles the official depository accounts.

The following concerns were noted in regards to recording, authorization, custody, and execution of expenditure transactions performed by a single employee:

- Four employees prepare vouchers, authorize purchases, prepare claims, and approve claims for payment.
- One deputy, in addition to the above tasks, also prepares vouchers and reviews vouchers.

Effect: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

Recommendation: OSAI recommends management be aware of these conditions and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management's overseeing of office operations and a periodic review of operations. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office, and having management review and approval of accounting functions.

Views of responsible officials and planned corrective actions: Management chose not to respond.

**CATHY PINKERTON BAKER, COUNTY TREASURER
ROGERS COUNTY, OKLAHOMA
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Finding 2010-2 – Bank Reconciliations

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, reconciliations should be reviewed and approved by someone other than the preparer.

Condition: We noted reconciliations were not reviewed or approved by someone other than the preparer.

Effect: Failing to have reconciliations reviewed and approved by someone other than the preparer increases the risk of unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends the County Treasurer take steps to ensure reconciliations be reviewed and approved by someone other than the preparer.

Views of responsible officials and planned corrective actions: Management chose not to respond.



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