

**ROGERS
COUNTY
TREASURER**

MAY 31, 2009

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**CATHY PINKERTON BAKER, COUNTY TREASURER
ROGERS COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
MAY 31, 2009**

This publication is printed and issued by the State Auditor and Inspector as authorized by 74 O.S. § 212. Pursuant to 74 O.S. § 3105.B, five (5) copies have been prepared and distributed at a cost of \$10.87. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

November 9, 2009

BOARD OF COUNTY COMMISSIONERS
ROGERS COUNTY COURTHOUSE
CLAREMORE, OKLAHOMA 74017

Transmitted herewith is the Rogers County Treasurer Statutory Report for May 31, 2009. 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

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

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 May 31, 2009:

- 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 procedures performed, the cash and investments of the County are adequately secured to prevent loss in the event of a bank failure. With respect to segregation of duties, bank reconciliations, and subsidiary records reconciling to the general ledger, our findings are included 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". The signature is written in a cursive, flowing style.

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

October 15, 2009

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2009-1 – Segregation of Duties

Criteria: Accountability and stewardship are overall goals in evaluating management’s accounting of funds. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization should be segregated.

Condition: Based on inquiries of personnel and test work performed, it was noted that receiving, receipting, recording, depositing cash and checks, reconciliations and transaction authorization within the Treasurer’s office were not properly segregated to assure adequate internal control structure.

Effect: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

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 knowledge of office operations and a periodic review of operations.

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

Finding 2009-2 – Bank Reconciliations

Criteria: Accountability and stewardship are overall goals in evaluating management’s accounting of funds. To help ensure a proper accounting of funds, the County Treasurer’s general ledger should be reconciled to the bank balances on a monthly basis, with all reconciling items properly identified and reconciliations being reviewed and approved by someone other than the preparer.

Condition: During testwork, the following was noted:

1. No reconciliations were performed on the Credit Card Payment Account or on the Telephone Payment Account.
2. The reconciliations performed on the General Account were not complete and did not reconcile to the bank statement balance. Additionally, they were neither reviewed nor approved by someone other than the preparer.
3. The reconciliations performed on the Official Depository Account were not reviewed or approved by someone other than the preparer.

**CATHY PINKERTON BAKER, COUNTY TREASURER
ROGERS COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
MAY 31, 2009**

Effect: This condition could result in unrecorded transactions, misstated financial records, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends the County Treasurer reconcile the bank statements to the general ledger (treasurer's statement) on a monthly basis, all variances be identified, and reconciliations be reviewed and approved by someone other than the preparer.

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

Finding 2009-3 – Investment Ledger

Criteria: Goals of effective internal control as related to government entities are to demonstrate accountability and stewardship. To ensure proper accounting of funds, the investment ledger should be maintained and should mirror the bank statements issued by the County's banks. The investment ledger should also be reconciled to the general ledger and treasurer's statements.

Condition: It was noted that the investment ledger and the general ledger did not agree with the bank confirmations.

Effect: This condition could result in unrecorded transactions, misstated financial records, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends management take steps to ensure the investment ledger and the general ledger are properly maintained and reconciled to the banks.

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



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

WWW.SAI.OK.GOV