



# ALFALFA COUNTY TREASURER

## Statutory Report

May 31, 2021

**Cindy Byrd, CPA**  
State Auditor & Inspector

**VALERIE VETTER, COUNTY TREASURER  
ALFALFA COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
MAY 31, 2021**

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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.



Cindy Byrd, CPA | State Auditor & Inspector

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August 24, 2021

BOARD OF COUNTY COMMISSIONERS  
ALFALFA COUNTY COURTHOUSE  
CHEROKEE, OKLAHOMA 73728

Transmitted herewith is the Alfalfa County Treasurer Statutory Report for May 31, 2021. 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 "Cindy Byrd".

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR



Valerie Vetter, Alfalfa County Treasurer  
Alfalfa County Courthouse  
Cherokee, Oklahoma 73728

Dear Ms. Vetter:

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 Alfalfa 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.



CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR

June 17, 2021



**VALERE VETTER, COUNTY TREASURER  
ALFALFA COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2021-001 – Lack of Internal Controls Over Bank Reconciliations and Official Depository**

**Condition:** Upon inquiry and observation of the County Treasurer's office, the following weaknesses were noted:

- The County Treasurer's Office has not performed the May 2021 bank reconciliation in a timely manner.
- When bank reconciliations are performed, the County Treasurer's office continues to reconcile the bank accounts and ledgers with unsubstantiated reconciling items and negative balances.
- Supporting documentation could not be provided for any reconciling item on the May 31, 2021 bank statement reconciliation. As a result, the following unreconciled variances were noted:
  - There is an unreconciled variance of \$754,819 in the MMDA account for Bank A.
  - There is an unreconciled variance of \$600,711 in the 2020 Protest account.
  - There is an unreconciled variance of \$208,339 in the S/N account.
  - There is an unreconciled variance of \$64,730 in the Payroll Tax account.
  - There is an unreconciled variance of \$53,794 in the Ad Valorem Collections account.
  - There is an unreconciled variance of \$40,000 in CDs.
  - There is an unreconciled variance of \$34,656 in the Electronic Transfer Holding account.
  - There is an unreconciled variance of \$33,487 in the Official Depository account.
  - There is an unreconciled variance of \$1,129 in the 2019 Protest account.
  - There is an unreconciled variance of \$972 in the ETR account.
  - There is an unreconciled variance of \$899 in the Misc OSW account.
  - There is an unreconciled variance of \$861 in the Daily Receipts account.
  - There is an unreconciled variance of \$393 in the MMDA account for Bank B.
  - There is an unreconciled variance of \$269 in the Protest account.
  - There is an unreconciled variance of \$79 between the Treasurer's General Ledger and the Official Depository Ledger.

**Cause of Condition:** Policies and procedures have not been designed and implemented to ensure all accounts are reconciled, approved, and the amounts recorded on the bank accounts and ledger account balances are complete and accurate. Additionally, policies and procedures have not been designed and implemented to ensure reconciling items are resolved in a timely manner.

**Effect of Condition:** These conditions could result in unrecorded transactions, undetected errors, and misappropriation of funds.

**Recommendation:** The Oklahoma State Auditor and Inspector's Office (OSAI) recommends that the County design procedures to ensure that all activity on all bank statements is complete and accurate. OSAI recommends that all accounts be reconciled on a monthly basis and in a timely manner.

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**Management Response:**

**County Treasurer:** I am working diligently to complete the bank reconciliations and to get all problems found and corrected.

**Criteria:** The United States Government Accountability Office's *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasi-governmental entities.

The GAO Standards – Principle 16 – Perform Monitoring Activities – 16.05 states in part:

*Internal Control System Monitoring*

Management performs ongoing monitoring of the design and operating effectiveness of the internal control system as part of the normal course of operations. Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations and other routine actions.

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S·A·I  
STATE AUDITOR & INSPECTOR



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