



# ALFALFA COUNTY TREASURER

## Statutory Report

May 31, 2020

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

**VALERIE VETTER, COUNTY TREASURER  
ALFALFA COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
MAY 31, 2020**

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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

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | [www.sai.ok.gov](http://www.sai.ok.gov)

September 10, 2020

BOARD OF COUNTY COMMISSIONERS  
ALFALFA COUNTY COURTHOUSE  
CHEROKEE, OKLAHOMA 73728

Transmitted herewith is the Alfalfa County Treasurer Statutory Report for May 31, 2020. 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

July 17, 2020



**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2020-001 – Lack of Internal Controls Over Bank Reconciliations and Official Depository**

**Condition:** 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 all reconciling items on the May 31, 2020 bank statement reconciliations. As a result, the following balances and variances remain unresolved:

- There is a variance of \$79 between the Treasurer's General Ledger and the Official Depository Ledger.
- There is an unreconciled variance of \$456 in the ETR account.
- There is an unreconciled variance of \$3,339 in the S/N account.
- There is an unreconciled variance of \$168 in the Ad Valorem Tax Collections account.
- There is an unreconciled variance of \$40,000 in the MMDA account.
- There is an unreconciled variance of \$69,765 in the Payroll Tax account.
- There is an unreconciled variance of \$4,992 in the Official Depository account.
- There is an unreconciled variance of \$5,087 in the Electronic Transfer Holding account.

**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. 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 recommends that the County design policies and procedures to ensure that all activity on all bank statements is complete and accurate. We recommend that all accounts be reconciled on a monthly basis and in a timely manner.

**Management Response:**

**County Treasurer:** I am working on being more diligent with all accounts by getting errors corrected as they occur.

**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.

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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.

O·K·L·A·H·O·M·A  
S·A·I  
STATE AUDITOR & INSPECTOR



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