

STATUTORY REPORT

# ALFALFA COUNTY TREASURER

April 30, 2018



*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

**VALERIE VETTER, COUNTY TREASURER  
ALFALFA COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
APRIL 30, 2018**

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# Oklahoma State Auditor & Inspector

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June 29, 2018

BOARD OF COUNTY COMMISSIONERS  
ALFALFA COUNTY COURTHOUSE  
CHEROKEE, OKLAHOMA 73728

Transmitted herewith is the Alfalfa County Treasurer Statutory Report for April 30, 2018. 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". The signature is fluid and cursive, with a long horizontal stroke at the end.

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR



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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 finding 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.

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR

June 12, 2018

## SCHEDULE OF FINDINGS AND RESPONSES

### **Finding 2018-001 – Inadequate Internal Controls Over Investments, Bank Reconciliations, and the Official Depository Ledger**

**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 April 30, 2018 bank statement reconciliations. As a result, the following balances and variances remain unresolved:

- A certificate of deposit had a variance with the investment ledger of \$1,620.55.
- Reconciling items totaling \$2,492.13 could not be located for the Electronic Transfer Holding Bank Account.
- Reconciling items totaling \$86.18 could not be located for one bank.
- The Official Depository Ledger had an unexplained variance of \$79.00 less than the Official Depository balance on the general ledger.
- The Official Depository Ledger reflected a negative balance for two accounts totaling \$818.00.

**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. Further, 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 and implement procedures to ensure that all financial ledgers are accurately reconciled.

**Management Response:** I have already started implementing some of the suggestions made by OSAI to check for accuracy and completeness. I have for over a year been clearing items on our software as monies reach the bank every week and some items are checked daily. Our office will continue to strive to improve our bookkeeping practices to ensure accurate account balances.

**Criteria:** Accountability and stewardship are overall goals in evaluating management’s accounting of funds. Internal controls should be designed and implemented to analyze and check accuracy and completeness. To help ensure a proper accounting of funds, all bank accounts should have a bank statement reconciliation performed on a monthly basis, and be approved by someone other than the preparer and include an indication of review. Additionally, the Official Depository Ledger should be reconciled to the Official Depository Account on the general ledger.



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