

**CHEROKEE
COUNTY
TREASURER**

MARCH 31, 2009

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**INEZ PEACE, COUNTY TREASURER
CHEROKEE COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
MARCH 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 \$10.80. 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

October 26, 2009

BOARD OF COUNTY COMMISSIONERS
CHEROKEE COUNTY COURTHOUSE
TAHLEQUAH, OKLAHOMA 74464

Transmitted herewith is the Cherokee County Treasurer Statutory Report for March 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

Inez Peace, County Treasurer
Cherokee County Courthouse
Tahlequah, Oklahoma 74464

Dear Ms. Peace:

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

Based on the above reconciliations, visual verification, and confirmation procedures performed, the 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. With respect to a negative balance in the general ledger, our finding is 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".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

October 21, 2009

**INEZ PEACE, COUNTY TREASURER
CHEROKEE COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
MARCH 31, 2009**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2009-1 – Negative Balance in the General Ledger

Criteria: Title 68 O.S. § 3003 permits the appropriation of federal grant funds not yet received, based on a letter of commitment from the federal government or state pass-through agency. The appropriation allows for purchase orders to be issued prior to the receipt of the federal grant monies in order to expedite the expenditure process. However, the statute does not permit the expenditure of federal funds in excess of the grant fund cash balance.

Safeguarding controls are an aspect of internal control. Safeguarding controls relate to the prevention or timely detection of unauthorized transactions and unauthorized access to assets. Failure to perform tasks that are part of internal controls, such as verifying that there is sufficient cash on hand prior to registering warrants are deficiencies in internal controls.

Condition: At March 31, 2009, the Help in Crisis HIC fund had a cash balance deficit of \$3,818.83.

Effect: Negative balances on the County's funds indicate that expenditures are being incurred before being properly encumbered.

Recommendation: OSAI recommends the County Treasurer verify cash is available in the fund prior to the registration of any warrants. OSAI further recommends actual expenditures be limited to the amount of cash fund balance on hand as set forth in 68 O.S. § 3003.

Views of responsible officials and planned corrective actions: This negative balance is due to the time frame of getting the grant funds and the seven-day limited time for making the expenditures. Our office will work with our County Clerk's Office to change our procedures to correct this problem.



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

WWW.SAI.OK.GOV