



CLEVELAND COUNTY TREASURER

Statutory Report

January 31, 2020

Cindy Byrd, CPA
State Auditor & Inspector

**JIM REYNOLDS, COUNTY TREASURER
CLEVELAND COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
JANUARY 31, 2020**

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) 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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July 1, 2020

BOARD OF COUNTY COMMISSIONERS
CLEVELAND COUNTY COURTHOUSE
NORMAN, OKLAHOMA 73069

Transmitted herewith is the Cleveland County Treasurer Statutory Report for January 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



Jim Reynolds, Cleveland County Treasurer
Cleveland County Courthouse
Norman, Oklahoma 73069

Dear Mr. Reynolds:

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 Cleveland 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.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

June 30, 2020



SCHEDULE OF FINDINGS AND RESPONSES

Finding 2020-001-Lack of Internal Controls Over the Monthly Reports and Bank Reconciliations (Repeat Finding)

Condition: While performing the Treasurer's Review on May 20, 2020 for the period ending January 31, 2020, we noted the following:

- Monthly bank reconciliations for the General Fund and the Official Depository are not being completed in a timely manner. The last bank reconciliation completed was November 30, 2019.
- The County Treasurer's monthly reports are not being submitted timely to the Oklahoma State Auditor and Inspector's Office (OSAI). The last monthly report received was as of November 30, 2019.

Cause of Condition: Although policies and procedures have been designed and implemented, they are not functioning properly to ensure that bank reconciliations and County Treasurer's monthly reports are being completed timely.

Effect of Condition: This condition could result in unrecorded transactions, misstated financial reports, undetected errors, and misappropriation of funds

Recommendation: OSAI recommends that the County Treasurer ensure that bank reconciliations and Treasurer's monthly reports are timely completed each month.

Management Response:

County Treasurer:

In Response to Auditor's findings of January 31, 2020:

We are in the process of implementing a new bookkeeping software system. This has been a lengthy process. Our office foresaw the potential for significant issues to arise and took the initiative of running two bookkeeping systems this fiscal year. This enabled us to balance the two bookkeeping systems with one another throughout the software conversion. We are in the process of completing the monthly bank reconciliations in order to timely submit our monthly reports to SA&I.

The volume of transactions coupled with the hours required implementing the software change put a strain upon the bookkeeping department. We see substantive resolution once the new bookkeeping system becomes fully operational.

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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Principle 13 – Use of Quality Information, Section 13.04 states in part:

Relevant data from reliable sources for review or reconciliations

13.04 “Management obtains relevant data from reliable internal and external sources in a timely manner based on the identified information requirements. Relevant data have a logical connection with, or bearing upon, the identified information requirements. Reliable internal and external sources provide data that are reasonably free from error and bias and faithfully represent what they purport to represent. Management evaluates both internal and external sources of data for reliability. Sources of data can be operational, financial, or compliance related. Management obtains data on a timely basis so that they can be used for effective monitoring.”

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