

STATUTORY REPORT

# NOBLE COUNTY TREASURER

March 6, 2013



*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

**RENA WHEATLEY, COUNTY TREASURER  
NOBLE COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
MARCH 6, 2013**

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# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

March 26, 2013

BOARD OF COUNTY COMMISSIONERS  
NOBLE COUNTY COURTHOUSE  
PERRY, OKLAHOMA 73077

Transmitted herewith is the Noble County Treasurer Statutory Report for March 6, 2013. 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".

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



# Oklahoma State Auditor & Inspector

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Rena Wheatley, Noble County Treasurer  
Noble County Courthouse  
Perry, Oklahoma 73077

Dear Ms. Wheatley:

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 Noble 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.

A handwritten signature in blue ink, appearing to read "Gary A. Jones".

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

March 7, 2013

## SCHEDULE OF FINDINGS AND RESPONSES

### **Finding- 2013-1— Segregation of Duties**

**Condition:** The County Treasurer's office has two deputies. The Treasurer has made an attempt to segregate the duties of receipting, posting, and depositing daily collections; however, in the absence of a deputy, the same person may collect funds, issue receipts, perform reconciliations on collections, and prepare deposits. When possible, the deposits are prepared by one deputy and reviewed by the other deputy.

**Cause of Condition:** The office is limited in the number of employees for the office, and duties have not been adequately segregated.

**Effect of Condition:** These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

**Recommendation:** OSAI recommends management be aware of these conditions and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management's overseeing of office operations and a periodic review of operations. OSAI recommends management provide segregation of duties so that no one employee is able to perform all accounting functions. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office, and having management review and approve accounting functions.

**Management Response:** Management is aware of the condition and has procedures in place, to best of our abilities, to provide segregation of duties.

**Auditor Response:** Although the office is limited in staff, mitigating controls such as reviewing work of others could be implemented to reduce the risks of error and fraud. Evidence of the review should be noted with initials and dates.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, key duties and responsibilities should be segregated among different individuals to reduce the risk of error or fraud. No one individual should have the ability to authorize transactions, have physical custody of funds, and record transactions.

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**Finding- 2013-2 – Recording of Cash on Hand on General Ledger**

**Condition:** The general ledger reflects total cash on hand for all offices as \$1,230.00. The County Clerk and Health Department have increased the cash on hand for their offices and notified the Treasurer of the increase in the amount of cash on hand. The general ledger should reflect \$1,600.00 for all offices.

**Cause of Condition:** The Treasurer has received the necessary documentation from the officers but has not taken the necessary steps to ensure the general ledger accurately reflects the amount of cash held in offices.

**Effect of Condition:** Cash on hand as reflected on the general ledger is understated and does not adequately represent actual cash on hand.

**Recommendation:** OSAI recommends management be aware of this condition and update the general ledger on a timely basis to correctly reflect changes in cash on hand by the County.

**Management Response:** I have discussed the issue with our software provider. At the beginning of the FY 2014, we will make correcting entries on the general ledger to reflect the appropriate balances in the Clerk and Health Department's cash on hand accounts.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, all monies should be correctly accounted for when they are identified.



**OFFICE OF THE STATE AUDITOR & INSPECTOR**

**2300 N. LINCOLN BOULEVARD, ROOM 100**

**OKLAHOMA CITY, OK 73105-4896**

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