

STATUTORY REPORT

# NOBLE COUNTY TREASURER

November 12, 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  
NOVEMBER 12, 2013**

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# Oklahoma State Auditor & Inspector

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November 26, 2013

BOARD OF COUNTY COMMISSIONERS  
NOBLE COUNTY COURTHOUSE  
PERRY, OKLAHOMA 73077

Transmitted herewith is the Noble County Treasurer Statutory Report for November 12, 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, appearing to read "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.

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

November 13, 2013

**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding- 2014-1—Lack of Segregation of Duties Over Receipting, Posting, and Depositing Revenue**

**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 revenue; however, in the absence of a deputy, the same person may also 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:** Policies and procedures have not been implemented to adequately segregate the duties of receipting, posting, and depositing daily revenue.

**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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