

**NOBLE  
COUNTY  
TREASURER**

**MAY 31, 2009**

**STATUTORY  
REPORT**



Oklahoma State Auditor  
& Inspector

**RENA CLARK-WHEATLEY, COUNTY TREASURER  
NOBLE COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
MAY 31, 2009**

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# STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA  
State Auditor

MICHELLE R. DAY, ESQ.  
Chief Deputy



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July 13, 2010

BOARD OF COUNTY COMMISSIONERS  
NOBLE COUNTY COURTHOUSE  
PERRY, OKLAHOMA 73077

Transmitted herewith is the Noble County Treasurer Statutory Report for May 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

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

Dear Ms. Clark-Wheatley:

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

Based on the above visual verification and confirmation procedures performed, the cash and investments of the County are supported by bank records and are adequately secured to prevent loss in the event of a bank failure. With respect to bank reconciliations, bank accounts not included on the general ledger, and inaccurate investment balances on the general ledger, our findings are presented in the accompanying schedule of findings and responses. Also, with respect to segregation of duties relating to expenditure transactions, our finding is presented in the 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

May 28, 2010

**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2009-1 – Bank Reconciliations**

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, the County Treasurer's cash book should be reconciled to the bank balances on a monthly basis with all reconciling items properly identified and reconciliations should be reviewed and approved by someone other than the preparer.

Condition: During test work performed, it was noted reconciliations were being performed; however, they were not being reviewed and approved by someone other than the preparer.

Effect: Misstated financial reports, errors, or misappropriation of funds could occur and not be detected in a timely manner.

Recommendation: OSAI recommends all reconciliations be reviewed and approved by someone other than the preparer.

Views of responsible officials and planned corrective actions: This will be corrected.

**Finding 2009-2 – Segregation of Duties**

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 property, and record transactions. The duties of receiving goods and services, preparing claims, and issuing vouchers should all be segregated.

Condition: A concentration of duties exists in the Treasurer's office because one deputy has the opportunity to perform all of the following related functions with respect to expenditure transactions: the deputy prepares vouchers, signs vouchers, posts vouchers, and distributes vouchers. The deputy also authorizes purchases, prepares claims, and approves claims.

Effect: 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

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duties. Compensating controls would include separating key processes and/or critical functions of the office, and management review and approval of accounting functions.

Views of responsible officials and planned corrective actions: This will be corrected.

**Finding 2009-3 – General Ledger**

Criteria: Title 19 O.S. § 642 states in part:

The County Treasurer shall keep a cash book, in which he shall enter an account of all money by him received...

Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, subsidiary records (the County Treasurer's cash book) should support and reconcile to the general ledger.

Condition: During test work performed, it was noted the Noble County's school payroll bank account was not shown on the general ledger. It was also noted the general ledger balance for the investments with First National Bank and Trust were incorrect due to interest being receipted in twice in July and August of 2007.

Recommendation: OSAI recommends all bank accounts be included on the general ledger and all demand and investment accounts be reconciled to the bank on a monthly basis, with all variances identified.

Views of responsible officials and planned corrective actions: Both conditions have been corrected, although the school's payroll bank account will only show on the general ledger if there is activity, otherwise the account has a zero balance and doesn't show.





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