

STATUTORY REPORT

# NOWATA COUNTY TREASURER

May 19, 2014



*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

**BONNIE WORKMAN, COUNTY TREASURER  
NOWATA COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
MAY 19, 2014**

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# Oklahoma State Auditor & Inspector

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June 30, 2014

BOARD OF COUNTY COMMISSIONERS  
NOWATA COUNTY COURTHOUSE  
NOWATA, OKLAHOMA 74048

Transmitted herewith is the Nowata County Treasurer Statutory Report for May 19, 2014. 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". The signature is fluid and cursive.

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



# Oklahoma State Auditor & Inspector

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Bonnie Workman, Nowata County Treasurer  
Nowata County Courthouse  
Nowata, Oklahoma 74048

Dear Ms. Workman:

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 Nowata 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

June 2, 2014

**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2014-1—Segregation of Duties**

**Condition:** A lack of segregation of duties exists in the County Treasurer’s Office because all three employees take collections and issue receipts from only one cash drawer.

**Cause of Condition:** Management has not implemented procedures to separate receipting functions and processes among various employees in the office and there are no levels of review over the processes performed.

**Effect of Condition:** This condition could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds.

**Recommendation:** The Oklahoma State Auditor & Inspector’s Office (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. 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 approval of accounting functions.

**Management Response:** As of May 20, 2014, each individual employee has a money bag. Two employees have \$37.50 and one employee has \$25.00 as their starting amount. I have requested a resolution be presented to the Board of County Commissioners where as each employee can have \$100.00 each in their money bag.

**Criteria:** Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization should be separated.



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