

STATUTORY REPORT

# NOWATA COUNTY TREASURER

May 23, 2013



Oklahoma State  
Auditor & Inspector  
Gary A. Jones, CPA, CFE

**BONNIE WORKMAN, COUNTY TREASURER**

**NOWATA COUNTY, OKLAHOMA  
TREASURER STATUTORY REPORT  
MAY 23, 2013**

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# Oklahoma State Auditor & Inspector

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June 24, 2013

BOARD OF COUNTY COMMISSIONERS  
NOWATA COUNTY COURTHOUSE  
NOWATA, OKLAHOMA 74048

Transmitted herewith is the Nowata County Treasurer Statutory Report for May 23, 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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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

May 23, 2013

**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2013-1— 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 and out of only one cash drawer. Additionally, one employee, in addition to taking collections and issuing receipts, also balances the cash drawer, prepares the official depository deposit ticket and reconciles the Official Depository Account.

**Cause of Condition:** Management has not implemented procedures to separate key functions and processes among various employees in the office or to have levels of review over the processes performed.

**Effect:** A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, clerical 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 approval of accounting functions.

**Management Response:** We will take steps and implement review procedures to help alleviate this situation. Auditors suggested the officer review the calculator tape balance used in the close out and the deposit ticket balance and compare to the officers deposit ticket totals, and proof of the review be noted on deposit ticket.

**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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