

AGREED-UPON PROCEDURES REPORT

ROGER MILLS COUNTY

For the fiscal year ended June 30, 2008



*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

**ROGER MILLS COUNTY, OKLAHOMA
AGREED-UPON PROCEDURES REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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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

January 19, 2011

TO THE CITIZENS OF
ROGER MILLS COUNTY, OKLAHOMA

Transmitted herewith is the agreed-upon procedures report for Roger Mills County for the fiscal year ended June 30, 2008. The Office of the State Auditor and Inspector is committed to serving the public interest by providing independent oversight and by issuing reports that serve as a management tool to the State. Our goal is to ensure a government that is accountable to the people of the State of Oklahoma.

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.

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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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

TO THE OFFICERS OF
ROGER MILLS COUNTY, OKLAHOMA

We have performed the procedures enumerated below, which were agreed to by management of Roger Mills County, solely to assist you in evaluating the receipt and disbursement process, the safeguarding of capital assets, and in determining whether selected receipts and disbursements are supported by underlying records for the fiscal year ended June 30, 2008. This agreed-upon procedures engagement was conducted in accordance with standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We observed whether receipting, depositing, and reconciling functions were performed by separate employees in the County Treasurer's office.

There were no findings as a result of applying the procedure.

2. We observed whether bank reconciliations were performed for December 2007 and June 2008 and agreed to the general ledger.

There were no findings as a result of applying the procedure.

3. We confirmed with financial institutions all cash and cash equivalent balances and investment balances as of June 30.

There were no findings as a result of applying the procedure.

4. We obtained the fair market value of each financial institution's pledged collateral securities to observe that it exceeded total cash required to be held by depository banks for January 2008 and June 2008.

There were no findings as a result of applying the procedure.

**ROGER MILLS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

5. We obtained the Treasurer's tax roll audit in order to:

- A. Agree tax collections to apportionment ledger and original tax roll to Certified Assessor's Tax Roll Abstract, and protest tax to subsidiary ledgers.
- B. Agree school districts corrections/adjustments made to the tax roll to the certificates of clerical error, omitted property and/or certificates of erroneous assessment.
- C. Trace to Board of Tax Roll Corrections for authorization.
- D. Obtain ratios from ad valorem tax software program(s) and agree to certified levy sheet.
- E. Obtain tax file from Treasurer and observe duplicates and gaps for ad valorem tax receipts.

There were no findings as a result of applying the procedures.

6. We confirmed third party confirmations (Oklahoma Tax Commission) to apportionment ledger.

There were no findings as a result of applying the procedure.

7. We confirmed sales tax collected and observed that sales tax was apportioned in accordance with the sales tax ballot.

There were no findings as a result of applying the procedure.

8. We observed whether county inter-fund transfers were paid back to the original county fund by the end of the fiscal year.

There were no findings as a result of applying the procedure.

9. We observed whether receiving goods and services, preparing claims/purchase orders, and issuing payments were performed by separate employees.

There were no findings as a result of applying the procedure.

10. We observed that warrants issued by the County Clerk agreed to County Treasurer disbursements.

There were no findings as a result of applying the procedure.

11. We randomly selected 40 purchase orders from the purchase order calendar in order to perform the following:

- A. Trace original purchase order to the purchase order calendar.
- B. Observe that supporting documentation (itemized invoice and receiving report) was attached.
- C. Observe that payee on cancelled warrant/vouchers agree to vendor on invoice.

**ROGER MILLS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

- D. Observe the receiving report for signature of designated receiving agent.
- E. Observe that the Board of County Commissioners approves the purchase order.

Finding: The following exceptions were noted as a result of applying these procedures:

- B. Ten of the purchase orders selected did not have adequate supporting documentation.
- D. One purchase order did not have the receiving agent signature on the receiving report.

With respect to procedures A, C, and E, there were no findings.

12. We randomly selected ten items requiring bids (greater than \$10,000) in order to:

- A. Observe proof of publication.
- B. Observe bids were dated and time stamped.
- C. Observe bid packets were certified to vendors at least 10 days prior to opening.
- D. Observe justification and approval of awarding the bid to a bidder other than the lowest bidder in the County Commissioner's minutes.

Finding: The following exceptions were noted with regard to Purchase Order 2096, Warrant 994 to Cross Match Technologies, Inc.

- The purchase order was paid on Feb 11, 2008, in the amount of \$27,530.70. The purchase was obtained from a "single source" vendor.
- The quote for the equipment was dated September 21, 2007, but the purchase order was encumbered on November 20, 2007.
- The purchase was for a "live fingerprint scan system"; however, no invoice was attached to the purchase order.
- A letter from the Sheriff stating the equipment was from a "single source" vendor dated November 21, 2007, was attached to the purchase order, but was not documented in the Board of County Commissioners minutes.

With respect to procedures A, B, C, and D, there were no findings with regard to the other nine bids tested.

13. We observed whether elected officials received monthly in lieu of travel reimbursements or filed for actual reimbursement for travel and randomly selected 12 county official travel claims in order to:

- A. Observe receipts were maintained for meals, hotels, fuel, etc.
- B. Observe that travel was authorized.
- C. Observe that mileage was documented and calculated by odometer readings.

**ROGER MILLS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Finding: With respect to procedure C, 6 of the 12 travel claims selected included mileage for attending seminars and classes. A travel claim that documented mileage was not attached to the purchase orders and odometer readings were not included in any of the claims for mileage.

With respect to procedures A and B, there were no findings as a result of applying these procedures.

14. We randomly selected one payroll period in order to perform the following:

- A. Observe that timesheets were prepared and signed by employees.
- B. Observe that an authorized individual approved and signed the timesheet.

Finding: With respect to procedure A, the following conditions were observed as a result of applying this procedure:

The Sheriff's full time employees did not complete timesheets. Employees were required to call in to the dispatcher at time on and off duty. Signatures were not required for time worked by full time employees.

District 3 County Commissioner did not require four road grader operator employees to complete timesheets.

District 2 County Commissioner did not require employees to sign or initial the time cards.

With respect to procedure B, Districts 1, 2, and 3 employee time cards were not approved by a supervisor.

15. We randomly selected ten employees from the payroll records in order to perform the following:

- A. Observe that leave amounts earned and balances did not exceed the limitations provided for in the County policy.
- B. Observe that the leave used on the employees' timesheet (or payroll claim) agree to the respective leave report.

There were no findings as a result of applying the procedures.

16. We observed whether the County prepared and filed an Estimate of Needs (County Budget) with the State Auditor and Inspector in order to:

- A. Observe that the County budgeted the appropriate amount for the audit account.
- B. Observe that Schedules were completed and agree to county records.
- C. Observe that the Estimate of Needs was published in a county-wide newspaper.

There were no findings as a result of applying the procedures.

**ROGER MILLS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

17. We observed whether consumable inventory stock records were maintained from each district inventory officer in order to perform the following:
- A. Randomly select 5 items from consumable stock records and perform a physical test count of items on hand and/or in the yard.
 - B. Randomly select 5 items on hand and/or in the yard from each district and trace to consumable stock records.
 - C. Observe that the County was using transfer documents and entering the location of items transferred.
 - D. Observe fuel records and agree to fuel on hand.

Finding: With respect to procedure A, one District 2 consumable card for 15W40 engine oil indicated there were 40 gallons on hand; however, the physical count revealed 46 gallons on hand.

With respect to procedures B, C, and D, no exceptions were found as a result of applying the procedures.

18. We obtained the County's equipment inventory records, list, or reports from the County inventory officer in order to perform the following:
- A. Observe that biennial inventories were performed and that documentation was maintained.
 - B. Observe selected newly purchased items from courthouse inventory records and visually inspect.
 - C. Observe randomly selected items from each highway district and visually inspect those items.

Finding: With respect to procedure A, biennial inventories were not performed by the District 1 County Commissioner. With respect to procedure C, two equipment items on District 1 inventory records were accounted for using different numbers than were reported on the inventory list.

With respect to procedure B, no exceptions were noted as a result of applying this procedure.

19. We observed insurance policies for the existence of coverage of capital assets.

There were no findings as a result of applying the procedure.

20. We observed whether new lease-purchase agreements were approved during the period and based on the following criteria:
- A. Observe that form 120B was used.
 - B. Observe that interest did not exceed statutory limits.

**ROGER MILLS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

- C. Observe that financing was obtained through the vendor.
- D. Observe that payments were made to the vendor or that the County had an assignment on file.
- E. Observe that the County bid the item as a lease-purchase.

There were no findings as a result of applying the procedures.

21. We randomly selected Sheriff's cash bonds for a three-month period in order to:

- A. Observe that pre-numbered receipts were issued.
- B. Observe that receipts were deposited daily, or timely if received over the weekend.
- C. Observe that a voucher was issued for the bond to the Court Clerk and recorded on the Court Clerk's District Court docket.

Finding: With respect to procedure A, Receipts No. 2554 and 2552 appeared to be exact copies of handwritten receipts, with the original receipts missing from the receipt book. The carbon used to make a copy appeared to have slipped from between the original and copy of Receipt No. 2552 and was copied onto Receipt No. 2554. Receipt No. 2554 should have been marked void.

With respect to procedures B and C, no exceptions were noted as a result of applying this procedure.

22. We applied the following criteria to official depository accounts:

- A. Observe whether the receiving, depositing and reconciling functions were performed by separate employees.
- B. Observe whether each official submitted a monthly report to the Board of County Commissioners.
- C. Observe whether reports reconcile to the County Treasurer's official depository ledger.
- D. Observe whether daily deposits were made for all monies collected under color of office.
- E. Observe whether each official remits all funds to the County Treasurer or governmental entity each month.

Finding: The following exception was noted as a result of applying the procedures:

With respect to procedure A, the duties of the cash receipting, depositing, and reconciling were performed by the same employee in the offices of the Election Board, County Clerk, Sheriff, Assessor, and District Attorney.

With respect to procedure B, the County Assessor did not file the June 2008 official depository monthly report with the Board of County Commissioners.

**ROGER MILLS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

With respect to procedures C and D, no exceptions were noted as a result of applying these procedures.

23. We randomly selected three official depository accounts in order to perform the following:
- A. Observe that pre-numbered receipts were issued for all monies collected.
 - B. Randomly select 12 deposits and perform cash/check compositions.
 - C. Observe that deposits agree to County Treasurer's official depository ticket and general ledger.
 - D. Observe that deposits agree to the County Treasurer's official depository ledger.

There were no findings as a result of applying the procedures.

24. We randomly selected one week of paid vouchers in order to:
- A. Observe that vouchers were pre-numbered and registered by the County Treasurer.
 - B. Observe that vouchers were issued to the County Treasurer or governmental entity to transfer officer collection during the month.
 - C. Observe that the name on the voucher was the same as the name on the County Treasurer's official depository register.

There were no findings as a result of applying the procedures.

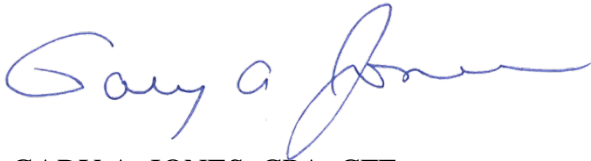
25. We observed the related supporting documentation for vouchers issued for the District Attorney's Victim Restitution Official Depository Account.

Finding: Voucher No. 389, 390, and 391 were not issued in chronological sequence. Voucher No. 399 was referenced to case CF-05-28, and the case should have been CM-06-24.

We were not engaged to, and did not, conduct an examination or a review, the objective of which would be the expression of an opinion or limited assurance on the cash, receipts, disbursements, personnel costs, capital assets, and long-term debt for the County. Accordingly, we do not express such an opinion or limited assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

**ROGER MILLS COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

This report is intended solely for the information and use of management of Roger Mills County and should not be used for any other purpose. This report is also a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.), and shall be open to any person for inspection and copying.



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

August 31, 2009



OFFICE OF THE STATE AUDITOR AND INSPECTOR

2300 N. LINCOLN BOULEVARD, ROOM 100

OKLAHOMA CITY, OK 73105-4896

WWW.SAI.OK.GOV