

STATUTORY REPORT

ROGERS COUNTY TREASURER

May 18, 2012



*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

**CATHY BAKER, COUNTY TREASURER
ROGERS COUNTY, OKLAHOMA
TREASURER STATUTORY REPORT
MAY 18, 2012**

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Oklahoma State Auditor & Inspector

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July 16, 2012

BOARD OF COUNTY COMMISSIONERS
ROGERS COUNTY COURTHOUSE
ROGERS, OKLAHOMA 74017

Transmitted herewith is the Rogers County Treasurer Statutory Report for May 18, 2012. 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, reading "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

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



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Cathy Baker, Rogers County Treasurer
Rogers County Courthouse
Rogers, Oklahoma 74017

Dear Ms. Baker:

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 Rogers 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 that reads "Gary A. Jones". The signature is fluid and cursive, with a long horizontal line extending from the end.

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

May 23, 2012

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2011-1 – Segregation of Duties

Condition: A lack of segregation of duties exists in the County Treasurer's office because one person is responsible for issuing all miscellaneous receipts, posting to the daily reports, posting to the general ledger, preparing monthly reports, preparing monthly apportionments, maintaining the investment ledger, issuing bond payments via electronic transfer, and reconciling the general bank account.

Additionally, OSAI noted that there was no evidence that daily closeouts for ad valorem collections, official depository collections, and miscellaneous collections were reviewed by anyone other than the preparer.

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.

Additionally, management has not established procedures for the review of daily closeouts by someone other than the preparer.

Effect of Condition: 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 not being detected in a timely manner.

Recommendation: OSAI recommends that a system of internal controls be implemented to provide reasonable assurance that duties are adequately segregated. The duties of receipting, depositing, and maintaining ledgers/reconciliations should be segregated. If duties cannot be properly segregated, procedures should be designed to mitigate risks such as monitoring and review of processes.

Management Response:

Cathy Pinkerton Baker, Rogers County Treasurer –

Segregation of duties in my office has been maintained to the best of my ability for the number of employees. Posting to daily reports in my opinion only requires one person at a time. I have cross training in my office and those duties are performed when that person is out of the office. Each person who balances has someone that checks their work. I have designated workers that perform particular jobs and are very good at it. I have been in office over 20 years and I oversee that work is performed and errors are held to a minimum. Each person in this office oversees other peoples work to maintain accuracy.

**CATHY BAKER, COUNTY TREASURER
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Auditor Response: When the review is performed, we suggest the co-worker initial their work indicating the review.

Criteria: 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 assets, and record transactions.



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