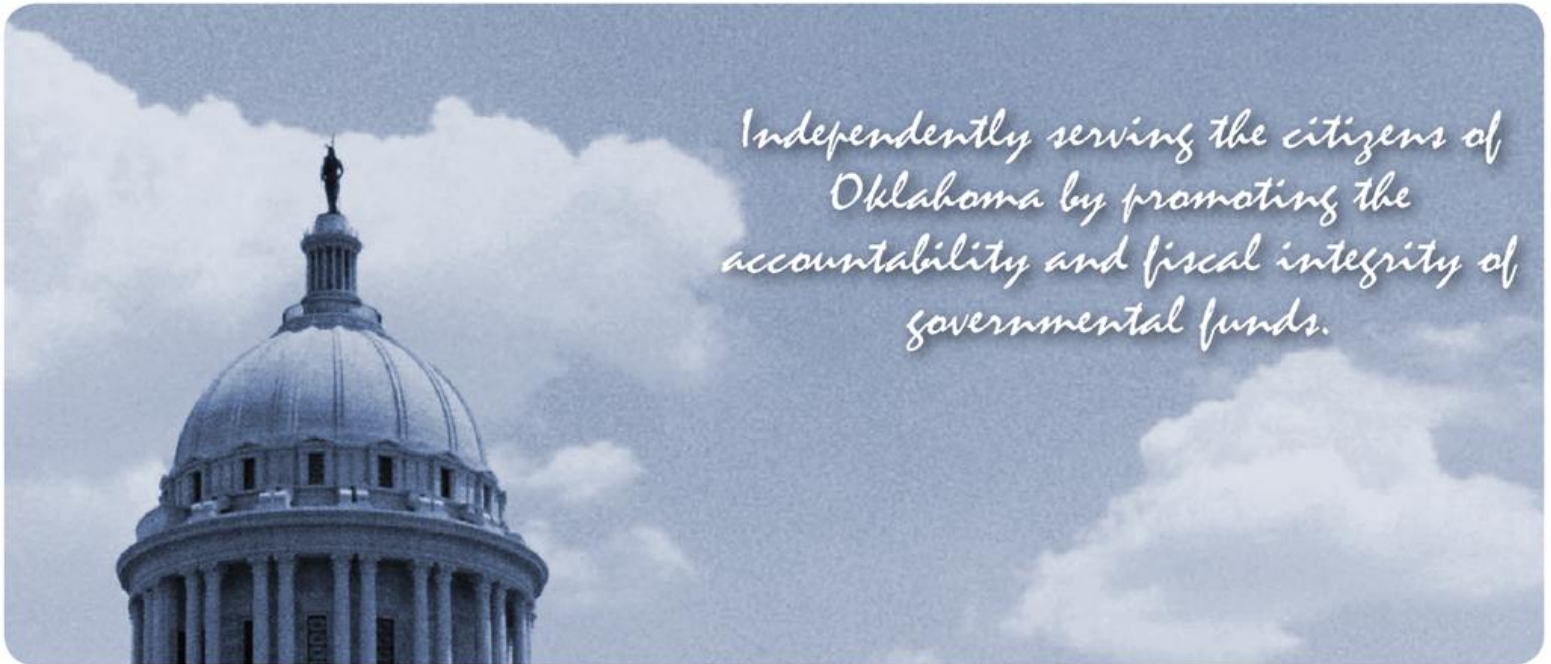


STATUTORY REPORT

ROGERS COUNTY TREASURER

June 25, 2013



*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
JUNE 25, 2013**

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Oklahoma State Auditor & Inspector

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March 14, 2014

BOARD OF COUNTY COMMISSIONERS
ROGERS COUNTY COURTHOUSE
CLAREMORE, OKLAHOMA 74017

Transmitted herewith is the Rogers County Treasurer Statutory Report for June 25, 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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Cathy Baker, County Treasurer
Rogers County Courthouse
Claremore, 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 (for the most recent month ending, May 31, 2013), 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, appearing to read "Gary A. Jones".

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

June 25, 2013

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2013-2—Segregation of Duties

Condition: The County Treasurer has segregated the duties of preparing/reviewing deposits and performing bank reconciliations; however, two employees have the power to prepare and sign vouchers and every employee has access to the Treasurer's signature stamp. One person is responsible for posting to the general ledger, and reconciling the general bank account. A daily mail log is not maintained.

Cause of Condition: The County is not enforcing segregation of duties for some employees.

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 the following key accounting functions of the Treasurer's office be adequately segregated:

- Issuing receipts
- Preparing/reviewing deposits and taking them to the bank
- Maintaining accounting ledgers and reconciling bank statements

In addition OSAI recommends establishing a system of controls to adequately protect the collections of the Treasurer's office, which include but are not limited to the following:

- Establish separate cash drawers for all employees receiving cash.
- A daily log of mailed in receipts should be compiled.

A signature stamp should not be used by anyone other than the person it was intended for.

Management Response: 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.

Auditor Response: The duties regarding receipting, depositing, and bookkeeping are not adequately segregated within the Treasurer's office.

**CATHY BAKER, COUNTY TREASURER
ROGERS COUNTY, OKLAHOMA
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Criteria: Effective internal controls require that key functions within a process be adequately segregated to allow for prevention and detection of errors and possible misappropriation of funds.



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