

STATUTORY REPORT

CARTER COUNTY COURT CLERK

For the year ended June 30, 2010



*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

**KAREN VOLINO, COURT CLERK
CARTER COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE YEAR ENDED JUNE 30, 2010**



Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

March 18, 2011

Karen Volino, Court Clerk
Carter County Courthouse
Ardmore, Oklahoma 73402

Transmitted herewith is the statutory report for the Carter County Court Clerk for the fiscal year ended June 30, 2010. This engagement was conducted in accordance with 20 O.S. §1312. A report of this type is critical in nature; however, we do not intend to imply that there were not commendable features in the present accounting and operating procedures of the Court Clerk.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the conduct of our procedures.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the State to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in blue ink, reading "Gary A. Jones".

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

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INTRODUCTORY INFORMATION

The Court Clerk is elected by the qualified voters of the County for a term of four years. The primary responsibilities of the Court Clerk are to record, file and maintain the proceedings of the District Court, and perform other duties as directed by the District Court. Other duties and responsibilities of the Court Clerk are as follows: collecting all required Court fees, issuing warrants, orders, writs, subpoenas, passports and certain licenses, maintaining dockets and financial records for the various divisions of the Court, maintaining an appropriation ledger to control and monitor Court Fund expenditures, disbursing District Court funds in accordance with Court instructions and state statutes, and reviewing Court Fund claims for proper supporting documentation before bringing the claims and vouchers to the Court Fund Board for approval.



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Karen Volino, Court Clerk
Carter County Courthouse
Ardmore, Oklahoma 73402

Dear Ms. Volino:

We have performed procedures for fiscal year 2010 activity of the Court Fund Account for the purpose of complying with 20 O.S. § 1312. We have also performed procedures for fiscal year 2010 activity of the Court Clerk Revolving Fund as created by 19 O.S. § 220.

- Test receipts issued to determine whether: (1) the correct fee was collected, and (2) the receipt was properly accounted for in the financial records.
- Test Court Fund vouchers to determine whether the expenditure: (1) was properly supported by a claim, invoice, and receiving documentation, (2) was properly approved, (3) was properly classified, and (4) did not exceed appropriations.
- Test Court Clerk Revolving Fund vouchers to determine whether the expenditure: (1) was properly supported by a claim, invoice, and receiving documentation, and (2) was properly approved.
- Test District Court vouchers to determine whether they were properly accounted for and test supporting documentation for disbursements to determine whether the disbursements were issued in accordance with Court instructions.
- Determine whether Court Fund activity and/or balances reconcile to the County Treasurer's records.
- Determine whether the Court Clerk Revolving activity and/or balances reconcile to the County Treasurer's records.
- Determine whether the District Court case balances reconcile to the County Treasurer's depository ledger.

All information included in the reconciliations, the Court Fund appropriation ledger, the Court Clerk Revolving Fund, the monthly reports, and the cash receipts journal is the representation of the Court Clerk.

Our Court Clerk's engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with auditing standards generally accepted in the United States of America. Accordingly, we do not express an opinion on any general-purpose financial statements of Carter County.

Based on the above reconciliations, tests, and procedures performed, and with respect to items tested, the Court Clerk was collecting the correct fees and properly accounting for them; Court Fund vouchers were properly supported, approved, classified, and did not exceed appropriations; Court Clerk Revolving Fund expenditures were properly approved; District Court vouchers were properly accounted for and issued in accordance with Court instructions; Court Fund activity, Court Clerk Revolving Fund activity, and District Court case balances reconciled with the County Treasurer's records. With respect to Court Clerk Revolving Fund expenditures being properly supported by a claim, invoice, and receiving documentation, our finding is presented in the accompanying schedule of findings and responses. We also noted a matter of segregation of duties, and our finding is presented in the schedule of findings and responses.

We have included in this report the Court Fund Account Report, which was prepared from the Carter County Court Clerk's quarterly reports, which were submitted to the Administrative Office of the Courts.

We have also included in this report the Court Clerk Revolving Fund Report, which was prepared by the Carter County Court Clerk, which was submitted to the Administrative Office of the Courts.

This report is intended for the information and use of the Carter County Court Fund Board and the Administrative Office of the Courts. 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". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

January 31, 2011

**KAREN VOLINO, COURT CLERK
CARTER COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
JUNE 30, 2010**

Collections:

Court fund fines, fees, and forfeitures	\$ 1,391,505
Interest earned on deposits	768
Cancelled vouchers	461
Total collections	<u>1,392,734</u>

Deductions:

Lump sum budget categories:

Juror expenses	35,858
Trial court attorneys	12,895
Mental health attorneys	5,200
Transcripts preliminary	5,368
General office supplies	6,308
Forms printing	14,630
Postage and freight	70
Publications	8,275
Court reporter supplies	1,096
Gas, water, and electricity	12,000
General telephone expenses	3,256
Long-distance telephone expense	983
Other expenses	1,228
Total lump sum categories	<u>107,167</u>

Restricted budget categories:

Maintenance of courtroom	12,120
Security for court areas	49,230
Furniture and fixtures	349
Equipment purchases	12,000
Equipment rental	2,844
Maintenance of equipment	24,480
OCIS services	34,608
Photocopy equipment maintenance	1,680
Part-time bailiffs	5,359
Part-time court employees	165,547
Total restricted categories	<u>308,217</u>

Source: Carter County Court Clerk's Court Fund Quarterly Reports (for informational purposes only)

**KAREN VOLINO, COURT CLERK
CARTER COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
JUNE 30, 2010**

Mandated budget categories:	
Law library	9,000
State judicial fund	<u>949,596</u>
Total mandated categories	<u>958,596</u>
 Total deductions	 <u>1,373,980</u>
 Collections over (under) deductions	 18,754
 Beginning account balance July 1, 2009	 <u>243,832</u>
 Ending account balance June 30, 2010	 <u><u>\$ 262,586</u></u>

Source: Carter County Court Clerk's Court Fund Quarterly Reports (for informational purposes only)

**KAREN VOLINO, COURT CLERK
CARTER COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND REPORT
JUNE 30, 2010**

Collections:

Court fund revolving fees	\$ 74,172
Total collections	<u>74,172</u>

Deductions:

Court clerk revolving fund disbursements	<u>78,406</u>
Total deductions	<u>78,406</u>

Collections over (under) deductions	(4,234)
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Beginning account balance July 1, 2009	<u>549,150</u>
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Ending account balance June 30, 2010	<u><u>\$ 544,916</u></u>
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**KAREN VOLINO, COURT CLERK
CARTER COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2010**

Finding 2010-1 – Segregation of Duties (Repeat Finding)

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. 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.

Condition: We noted the following concerns in regards to recording, authorization, custody, and execution of revenue transactions:

- The 1st Deputy performs the duties of issuing receipts and preparing deposits. However, the Deputy is also performing the duties of making deposits.
- The 2nd Deputy performs the duties of opening mail, issuing receipts, and preparing deposits. However, the Deputy is also performing the duties of making deposits.

We noted the following concerns in regards to recording, authorization, custody, and execution of expenditure transactions:

District Court:

- The Court Clerk performs the duties of writing vouchers. However, the Court Clerk is also performing the duties of signing, mailing vouchers, and reconciling the account with the Treasurer.

Court Fund:

- The Court Clerk performs the duties of writing vouchers. However, the Court Clerk is also performing the duties of signing, mailing vouchers, and reconciling the account with the Treasurer.

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 not being detected in a timely manner.

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 management review and approval of accounting functions.

Views of responsible officials and planned corrective actions: Management is aware of these conditions and makes periodic reviews of the employees.

**KAREN VOLINO, COURT CLERK
CARTER COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2010**

Finding 2010-2 – Revolving Fund Expenditures

Criteria: 19 O.S. § 220.A states in part:

Beginning July 1, 1991, there is hereby created with the county treasurer of each county within this state a revolving fund to be designated the "Court Clerk's Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received as grants from the federal government and any other monies designated by law for deposit into the fund. All monies accruing to the credit of the fund are hereby appropriated and shall be expended by the court clerk for the lawful operation of the court clerk's office. Claims against the fund shall include only expenses incurred for the operation of the court clerk's office in each county, and payment may be made after the claim is approved by the court clerk and either the district or the associate district judge of that county. The monies shall be reported quarterly to the Administrator of the Courts.

Effective accounting procedures are necessary to ensure stewardship and accountability of public funds. An aspect of effective accounting procedures includes maintaining supporting documentation, such as receipts and agendas for expenditures.

Condition: Of the 16 expenditures tested, 1 claim did not have an invoice or supporting documentation.

Effect: This condition could result in undetected errors, misappropriation of assets, incorrect information, and incomplete records.

Recommendation: OSAI recommends that all claims have an original invoice and/or all supporting documentation attached, including agendas, itemized receipts, and travel claims.

Views of responsible officials and planned corrective actions: All claims will be submitted with the proper supporting documentation.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

2300 N. LINCOLN BOULEVARD, ROOM 100

OKLAHOMA CITY, OK 73105-4896

WWW.SAI.OK.GOV