

STATUTORY REPORT

GRADY COUNTY COURT CLERK

For the period July 1, 2008 through 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

**LOIS FOSTER, COURT CLERK
GRADY COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2010**

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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

March 29, 2011

Lois Foster, Court Clerk
Grady County Courthouse
Chickasha, Oklahoma 73018

Transmitted herewith is the statutory report for the Grady County Court Clerk for the period July 1, 2008 through 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 that reads "Gary A. Jones". The signature is written in a cursive style.

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

**LOIS FOSTER, COURT CLERK
GRADY COUNTY, OKLAHOMA
STATUTORY REPORT
JULY 1, 2008 THROUGH JUNE 30, 2010**

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**LOIS FOSTER, COURT CLERK
GRADY COUNTY, OKLAHOMA
STATUTORY REPORT
JULY 1, 2008 THROUGH JUNE 30, 2010**

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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Lois Foster, Court Clerk
Grady County Courthouse
326 W. Choctaw
Chickasha, Oklahoma 73018

Dear Ms. Foster:

We have performed procedures for the period July 1, 2008 through June 30, 2010, activity of the Court Fund Account for the purpose of complying with 20 O.S. § 1312. We have also performed procedures for the period July 1, 2008 through June 30, 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 Grady 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 supported and 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 the matter of segregation of duties, our finding is presented in the accompanying schedule of findings and responses.

We have included in this report the Court Fund Account Reports, which were prepared from the Grady 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 Reports, which were prepared by the Grady County Court Clerk, which were submitted to the Administrative Office of the Courts.

This report is intended for the information and use of the Grady 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.



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

January 31, 2011

**LOIS FOSTER, COURT CLERK
GRADY COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

Collections:

Court fund fines, fees, and forfeitures	\$ 1,240,126
Cancelled vouchers	138,526
Interest earned on deposits	2,406
Total collections	<u>1,381,058</u>

Deductions:

Lump sum budget categories:

Juror expenses	38,634
Trial court attorneys	37,662
Appeals attorneys	24,735
Mental health attorneys	3,330
Guardianship ad litem fees	1,572
Transcripts preliminary and trial	2,028
Transcripts appeals	10,811
General office supplies	18,699
Forms printing	6,742
Books for records and indexes	585
Postage and freight	11,671
Microfilm supplies	9,000
Court reporter supplies	700
Gas, water, and electricity	36,000
General telephone expenses	9,560
Long-distance telephone expense	1,141
Other expenses	2,902
Total lump sum categories	<u>215,772</u>

Restricted budget categories:

Maintenance of court area(s)	2,562
Security for court areas	42,000
Equipment rentals	2,522
Maintenance of equipment	29,405
OCIS services	36,050
Photocopy equipment rental	5,612
Photocopy equipment maintenance	26
Per-diem court reporter	368
Part-time court employees	335,925
Total restricted categories	<u>454,470</u>

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

**LOIS FOSTER, COURT CLERK
GRADY COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

Mandated budget categories:	
Law library	9,000
State judicial fund	506,806
Total mandated categories	<u>515,806</u>
Total deductions	<u>1,186,048</u>
Collections over (under) deductions	195,010
Beginning account balance July 1, 2008	<u>250,389</u>
Ending account balance June 30, 2009	<u>\$ 445,399</u>

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

**LOIS FOSTER, COURT CLERK
GRADY COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
FOR THE PERIOD JULY 1, 2009 THROUGH JUNE 30, 2010**

Collections:

Court fund fines, fees, and forfeitures	\$ 1,196,635
Cancelled vouchers	1,447
Interest earned on deposits	2,347
Total collections	<u>1,200,429</u>

Deductions:

Lump sum budget categories:

Juror expenses	39,976
Indigent defense witness	177
Trial court attorneys	68,116
Mental health attorneys	2,995
Guardians ad litem fees	1,915
Transcripts preliminary & trial	5,645
Transcripts appeals	14,966
General office supplies	16,383
Forms printing	5,796
Postage and freight	11,460
Court reporter supplies	2,712
Gas, water, and electricity	36,000
General telephone expenses	10,121
Long-distance telephone expense	999
Other expenses	3,558
Total lump sum categories	<u>220,819</u>

Restricted budget categories:

Maintenance of court area(s)	415
Security for court area(s)	42,000
Equipment rentals	1,960
Maintenance of equipment	26,146
OCIS services	36,050
Photocopy equipment rentals	9,633
Photocopy equipment maintenance	279
Part-time court employees	196,945
Total restricted categories	<u>313,428</u>

**LOIS FOSTER, COURT CLERK
GRADY COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
FOR THE PERIOD JULY 1, 2009 THROUGH JUNE 30, 2010**

Mandated budget categories:	
Law library	9,000
State judicial fund	694,746
Total mandated categories	<u>703,746</u>
Total deductions	<u>1,237,993</u>
Collections over (under) deductions	(37,564)
Beginning account balance July 1, 2009	<u>445,399</u>
Ending account balance June 30, 2010	<u>\$ 407,835</u>

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

**LOIS FOSTER, COURT CLERK
GRADY COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND REPORT
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

Collections:	
Court fund revolving fees	\$ 106,231
Total collections	<u>106,231</u>
Deductions:	
Court clerk revolving fund disbursements	<u>29,349</u>
Total deductions	<u>29,349</u>
Collections over (under) deductions	76,882
Beginning account balance July 1, 2008	<u>173,995</u>
Ending account balance June 30, 2009	<u><u>\$ 250,877</u></u>

Source: Grady County Court Clerk's Revolving Fund Annual Report (for informational purposes only)

**LOIS FOSTER, COURT CLERK
GRADY COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND REPORT
FOR THE PERIOD JULY 1, 2009 THROUGH JUNE 30, 2010**

Collections:	
Court fund revolving fees	\$ 88,839
Total collections	<u>88,839</u>
Deductions:	
Court clerk revolving fund disbursements	<u>25,593</u>
Total deductions	<u>25,593</u>
Collections over (under) deductions	63,246
Beginning account balance July 1, 2009	<u>250,877</u>
Ending account balance June 30, 2010	<u>\$ 314,123</u>

Source: Grady County Court Clerk's Revolving Fund Annual Report (for informational purposes only)

**LOIS FOSTER, COURT CLERK
GRADY COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2010**

Finding 2009/2010-1 – 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 property, and record transactions.

Condition: We noted instances in which a single person could be responsible for the recording, authorization, custody, and execution of revenue transactions. The following are concerns we noted:

- There are ten employees in the Court Clerk's office, including the Court Clerk. All employees work out of the two cash drawers.
- All Court Clerk employees perform the duties of receiving money and issuing receipts. The Court Clerk employees are also rotating the duties of balancing the cash drawer, preparing the deposit, making the deposit, and posting to the ledger. The one employee will perform all of these duties on the day of their rotation.

We also noted a concentration of duties in regards to a single person being responsible for recording, authorization, custody, and execution of expenditure transactions for the Court Fund:

- The Court Clerk is responsible for all actions associated with Court Fund expenditures. The Court Clerk is performing the duties of requisitioning, receiving goods and services, issuing vouchers (vouchers are posted to the ledger automatically), and mailing or delivering vouchers to vendors.

We also noted a concentration of duties in regards to a single employee being responsible for recording, authorization, custody, and execution of expenditure transactions for the District Court Fund:

- The Court Clerk is responsible for signing, distributing vouchers, and reviewing amounts to be vouchered to other funds
- The bookkeeper is performing the duties of preparing vouchers, calculating amounts to other agencies, signing vouchers, and mailing or distributing vouchers for refunds.

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. Regarding the receipting process, OSAI recommends management establish separate cash drawers for each employee that receipts monies. The cash drawer should be closed out, reconciled to the employee's daily receipts, and be approved by someone independent of the cash drawer. Regarding the disbursement process, the duties of issuing vouchers and the delivery/disbursement of vouchers should be separated.

**LOIS FOSTER, COURT CLERK
GRADY COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2010**

Views of responsible officials and planned corrective actions: We do not have the space or ability to have more than one cash drawer. We do confirm with another employee any money we receive and change given back. A different person does the deposit daily. I suggest who does the deposit each morning; they never know who will be doing the deposit from day to day. Although, I as the Court Clerk write most of the Court Fund vouchers, someone else balances the books and does the end of the month report. No voucher is written from the Court Fund without a signed claim from our District Judge with bill attached. I as the Clerk, review the work done by the bookkeeper each quarter, she also must balance with the Treasurer and the County Clerk.



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