

**GRANT
COUNTY
COURT CLERK**

**FOR THE YEAR ENDED
JUNE 30, 2009**

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**DEANA KILIAN, COURT CLERK
GRANT COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE YEAR ENDED JUNE 30, 2009**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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September 8, 2010

Deana Kilian, Court Clerk
Grant County Courthouse
Medford, Oklahoma 73759

Transmitted herewith is the statutory report for the Grant County Court Clerk for the fiscal year ended June 30, 2009. 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 "Steve Burrage".

STEVE BURRAGE, CPA
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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Deana Kilian, Court Clerk
Grant County Courthouse
Medford, Oklahoma 73759

Dear Ms. Kilian:

We have performed procedures for fiscal year 2009 activity of the Court Fund Account for the purpose of complying with 20 O.S. § 1312. We have also performed procedures for fiscal year 2009 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 Grant County.

Based on the above reconciliations, tests, and procedures performed, with respect to the 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 financial records, and District Court case balances reconciled with the County Treasurer's records. However, we noted a matter of segregation of duties, and our finding is presented in the accompanying schedule of findings and responses.

We have included in this report the Court Fund Account Report, which was prepared from the Grant 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 Grant County Court Clerk, which was submitted to the Administrative Office of the Courts.

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

Sincerely,



STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

June 14, 2010

**DEANA KILIAN, COURT CLERK
GRANT COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
JUNE 30, 2009**

Collections:

Court fund fines, fees, and forfeitures	\$ 141,709
Interest earned on deposit	413
Total collections	<u>142,122</u>

Deductions:

Lump sum budget categories:

Trial court attorneys	6,200
Juror expenses	2,078
Mental health hearings attorneys	300
General office supplies	4,643
Forms printing	48
Postage and freight	3,000
Court reporter supplies	311
Gas, water, electricity	18,297
General telephone expense	884
Long-distance telephone expense	294
Other expenses (robes, etc.)	443
Court computer system training	456
Total lump sum categories	<u>36,954</u>

Restricted budget categories:

Maintenance of court area(s)	1,349
Photocopy equipment maintenance	234
Furniture and fixtures	316
Equipment rentals	504
Maintenance of equipment	5,315
OCIS services	7,910
Court clerk employees	3,555
Total restricted categories	<u>19,183</u>

**DEANA KILIAN, COURT CLERK
GRANT COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
JUNE 30, 2009**

Mandated categories:	
Law library	5,000
State judicial fund	<u>75,936</u>
Total mandated categories	<u>80,936</u>
Total deductions	<u>137,073</u>
Collections over (under) deductions	5,049
Beginning account balance July 1, 2008	<u>15,109</u>
Ending account balance June 30, 2009	<u><u>\$ 20,158</u></u>

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

**DEANA KILIAN, COURT CLERK
GRANT COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND REPORT
JUNE 30, 2009**

Collections:	
Court fund revolving fees	\$ 27,673
Total collections	<u>27,673</u>
Deductions:	
Disbursements	<u>7,227</u>
Total deductions	<u>7,227</u>
Collections over (under) deductions	20,446
Beginning account balance July 1, 2008	<u>36,031</u>
Ending account balance June 30, 2009	<u><u>\$ 56,477</u></u>

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

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2009-1 – Segregation of Duties

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 a concentration of duties with regards to recording, authorization, and custody of revenue transactions as follows:

- All employees write receipts.
- All employees work from the same cash drawer.
- The first deputy, in addition to receiving and issuing receipts, also issues permits, occasionally balances the cash drawer, prepares and makes deposits.
- The Court Clerk, in addition to receiving and issuing receipts, opens the mail, issues permits, and totals remittances, balances the cash drawer, prepares and makes deposits, posts to the ledger, and reconciles accounts with the Treasurer.

We noted a concentration of duties with regard to recording, authorization, custody, and execution of expenditure transactions as follows:

- The Court Clerk prepares claims, approves purchases, prepares, signs, posts, distributes vouchers, and calculates and reviews amounts to be disbursed to other funds.

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. 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 having management review and approval of accounting functions.

Views of responsible officials and planned corrective action: Management chose not to respond.



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