

STATUTORY REPORT

HARMON COUNTY COURT CLERK

For the period July 1, 2007 through June 30, 2009



*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

**STACY MACIAS, COURT CLERK
HARMON COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2009**

This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 20 O.S. § 1312, has not been printed, but is available on the agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to 74 O.S. § 3105.B.



Oklahoma State Auditor & Inspector

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

January 25, 2011

Stacy Macias, Court Clerk
Harmon County Courthouse
Hollis, Oklahoma 73550

Transmitted herewith is the statutory report for the Harmon County Court Clerk for the period July 1, 2007 through 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 "Gary A. Jones".

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

**STACY MACIAS, COURT CLERK
HARMON COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2009**

TABLE OF CONTENTS

Introductory Information	ii
Statutory Report of State Auditor and Inspector.....	1
Court Fund Account Report for the period July 1, 2007 through June 30, 2008.....	3
Court Fund Account Report for the period July 1, 2008 through June 30, 2009.....	5
Court Clerk Revolving Fund Report for the period July 1, 2007 through June 30, 2008.....	7
Court Clerk Revolving Fund Report for the period July 1, 2008 through June 30, 2009.....	8
Schedule of Findings and Responses.....	9

**STACY MACIAS, COURT CLERK
HARMON COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2009**

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.



Oklahoma State Auditor & Inspector

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

Stacy Macias, Court Clerk
Harmon County Courthouse
Hollis, Oklahoma 73550

Dear Ms. Macias:

We have performed procedures for the period July 1, 2007 through June 30, 2009, 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, 2007 through June 30, 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 Harmon County.

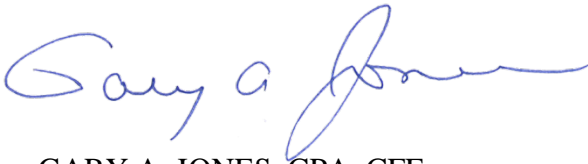
Based on the above reconciliations, tests, and procedures performed, and with respect to items tested, the Court Clerk was collecting the correct fees and properly accounting for them; Court Fund vouchers were properly supported, approved, classified, and did not exceed appropriations; Court Clerk Revolving 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. 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 Reports, which were prepared from the Harmon 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 Harmon County Court Clerk, which were submitted to the Administrative Office of the Courts.

This report is intended for the information and use of the Harmon 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,



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

October 20, 2010

**STACY MACIAS, COURT CLERK
HARMON COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2008**

Collections:

Court fund fines, fees, and forfeitures	\$ 78,101
Interest	79
Total collections	<u>78,180</u>

Deductions:

Lump sum budget categories:

Trial court attorneys	1,370
Transcripts - preliminary & trial	1,427
General office supplies	1,170
Postage and freight	1,000
Court reporter supplies	94
Gas, water and electricity	4,018
General telephone expense	2,098
Long distance telephone expense	325
Total lump sum categories	<u>11,502</u>

Restricted budget categories:

Equipment purchases	485
Maintenance of equipment	3,406
OCIS services	7,931
Photocopy equipment rental	1,746
Court clerk employee	23,925
Total restricted categories	<u>37,493</u>

Mandated categories:

Law library	5,000
State judicial fund	34,909
Total mandated categories	<u>39,909</u>

Total deductions	<u>88,904</u>
------------------	---------------

Collections over (under) deductions	(10,724)
-------------------------------------	----------

Beginning account balance July 1, 2007	<u>18,407</u>
----------------------------------------	---------------

Ending account balance June 30, 2008	<u>\$ 7,683</u>
--------------------------------------	-----------------

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

**STACY MACIAS, COURT CLERK
HARMON COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

Collections:	
Court fund fines, fees, and forfeitures	\$ 91,258
Interest earned on deposit	10
Total collections	<u>91,268</u>
Deductions:	
Lump sum budget categories:	
Juror expenses	1,597
Trial court attorneys	1,988
Transcripts - appeals	767
General office supplies	2,026
Postage and freight	1,203
Court reporter supplies	173
Gas, water, electricity	4,882
General telephone expense	2,380
Long distance telephone expense	302
Total lump sum categories	<u>15,318</u>
Restricted budget categories:	
Maintenance of equipment	3,945
OCIS services	8,652
Photocopy equipment rental	1,204
Court clerk employee	27,137
Total restricted categories	<u>40,938</u>
Mandated categories:	
Law library	5,000
State judicial fund	28,147
Total mandated categories	<u>33,147</u>
Total deductions	<u>89,403</u>
Collections over (under) deductions	1,865
Cancelled vouchers	20
Beginning account balance July 1, 2008	<u>7,683</u>
Ending account balance June 30, 2009	<u>\$ 9,568</u>

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

**STACY MACIAS, COURT CLERK
HARMON COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND REPORT
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2008**

Collections:	
Fees	\$ 8,246
Total collections	<u>8,246</u>
Deductions:	
Lump sum budget categories:	
Court revolving fund expenses	<u>10,803</u>
Total deductions	<u>10,803</u>
Collections over (under) deductions	(2,557)
Beginning account balance July 1, 2007	<u>10,254</u>
Ending account balance June 30, 2008	<u><u>\$ 7,697</u></u>

**STACY MACIAS, COURT CLERK
HARMON COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND REPORT
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

Collections:	
Court fund revolving fees	\$ 7,010
Total collections	<u>7,010</u>
Deductions:	
Court revolving fund expenses	<u>2,430</u>
Total deductions	<u>2,430</u>
Collections over (under) deductions	4,580
Beginning account balance July 1, 2008	<u>7,697</u>
Ending account balance June 30, 2009	<u><u>\$ 12,277</u></u>

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

**STACY MACIAS, COURT CLERK
HARMON COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2009**

Finding 2008-1/2009-1 – 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 instances in which a single person could be responsible for recording, authorization, custody, and execution of revenue transactions. The following concerns were noted:

- There are two employees within the Court Clerk's office, including the Court Clerk.
- Both employees work out of the same cash drawer.
- Both the court clerk and the deputy are responsible for opening the mail, receiving money, writing receipts, balancing the cash drawer to the daily receipts, and posting payments to the customer accounts.
- The court clerk and deputy also are responsible for reconciling to the official depository account.

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.

Views of responsible officials and planned corrective actions: Chose not to respond.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

2300 N. LINCOLN BOULEVARD, ROOM 100

OKLAHOMA CITY, OK 73105-4896

WWW.SAI.OK.GOV