

**STACY MACIAS, COURT CLERK
HARMON COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE YEAR ENDED JUNE 30, 2004**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

November 9, 2004

Stacy Macias, Court Clerk
Harmon County, Oklahoma

Transmitted herewith is the statutory report for the Harmon County, Court Clerk, for the fiscal year ended June 30, 2004. 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 cursive script that reads "Jeff A. McMahon".

JEFF A. McMAHAN
State Auditor and 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.



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

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

Dear Mrs. Macias:

We have performed procedures for fiscal year 2004 activity of the Court Fund Account for the purpose of complying with 20 O.S. § 1312. We have also performed procedures for fiscal year 2004 activity of the Court Clerk Revolving Fund as created by 19 O.S. § 220.

- We tested Court Fund vouchers issued 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.
- We tested 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.
- We tested District Court vouchers to determine they were properly accounted for and we looked at supporting documentation for disbursements to determine they were issued in accordance with Court instructions.
- We reconciled the Court Fund activity and/or balances to the County Treasurer's records.
- We reconciled the Court Clerk Revolving activity and/or balances to the County Treasurer's records.
- We reconciled the District Court case balances to the County Treasurer's depository ledger.
- We tested receipts issued to determine whether: (1) the correct fee was collected, and (2) the receipt was properly accounted for in the financial records.

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.

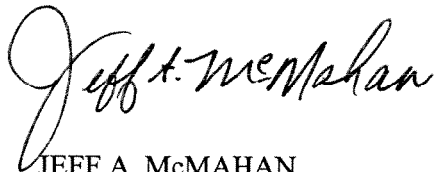
Our Court Clerk's engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with auditing standards generally accepted in the United States of America. Accordingly, we do not express an opinion on any general-purpose financial statements of Harmon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

Based on the above reconciliations, tests, and procedures performed; the Court Clerk is collecting the correct fees; 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. With respect to the accounting for receipts and segregation of duties, exceptions were noted as a result of applying the procedures. The exceptions are identified in the attached Schedule of Findings and Recommendations.

We have prepared a detailed analysis of the Court Fund Account and of the Court Clerk Revolving Fund, which are presented following this report.

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,



JEFF A. McMAHAN
State Auditor and Inspector

September 29, 2004

**STACY MACIAS, COURT CLERK
HARMON COUNTY, OKLAHOMA
COURT FUND ACCOUNT ANALYSIS
JUNE 30, 2004**

Collections:	
Court fund fines, fees, and forfeitures	\$ 60,917
Interest earned on deposit	44
Total collections	<u>60,961</u>
Deductions:	
Lump sum budget categories:	
Trial court attorneys	280
Transcripts-preliminary and trial	199
General office supplies	1,989
Books for records and indexes	199
Postage and freight	393
Gas, water, and electricity	4,694
General telephone expense	2,115
Long-distance telephone expense	298
Other expenses	25
Total lump sum categories	<u>10,192</u>
Restricted budget categories:	
Maintenance of equipment	3,096
Oklahoma Court Information System Services	7,931
Photocopy equipment maintenance	2,146
Part-time court clerk employees	6,560
Total restricted categories	<u>19,733</u>
Mandated categories:	
Law library	5,000
State judicial fund	28,043
Total mandated categories	<u>33,043</u>
Total deductions	<u>62,968</u>
Collections over (under) deductions	(2,007)
Beginning account balance	<u>14,970</u>
Ending account balance	<u>\$ 12,963</u>

**STACY MACIAS, COURT CLERK
HARMON COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND ANALYSIS
JUNE 30, 2004**

Collections:	
Court fund revolving fees	\$ 2,564
Total collections	<u>2,564</u>
Deductions:	
Water	165
Repairs	1,159
Reimbursement to general fund	<u>2,836</u>
Total deductions	<u>4,160</u>
Collections over (under) deductions	(1,596)
Beginning account balance	<u>2,723</u>
Ending account balance	<u><u>\$ 1,127</u></u>

**STACY MACIAS, COURT CLERK
HARMON COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2004**

Finding - Duplicate Receipts (Repeat Finding)

Criteria: Effective internal controls include that receipts be issued only once.

Condition: While testing receipts, it was noted that the system used by the Court Clerk allows access to reissue a receipt with the same number. We also noted that adjustments had been made to the cash compositions in order to reconcile with the deposit slip in two of seven instances tested.

Recommendation: We recommend the Court Clerk implement policies and procedures to ensure receipts are issued only once. Additionally, we recommend that an audit trail report be ran on receipts at the end of each day to determine the activity of receipts that are issued and ensure the receipts are only issued once. We further recommend that the officer or deputy make a notation on the last receipt deposited.

Management Response: The Court Clerk's office is aware of the situation and will take precautions to maintain the accuracy of receipts.

Finding – Segregation of Duties (Repeat Finding)

Criteria: Effective internal controls include that those employees who process cash transactions be segregated from the duties of depositing funds, posting bookkeeping records, and reconciling reports of collection activity.

Condition: Based on inquiries and observation of the Court Clerk's office, it was noted that the duties of receiving, receipting, recording and depositing collections were not adequately segregated.

Recommendation: We recommend management be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. Under these conditions, the most effective controls lie in management's knowledge of County operations and periodic review of those operations.

Management Response: The Court Clerk is aware of this situation, and will conduct periodic reviews of the deputy's duties and responsibilities.