

STATUTORY REPORT

# JEFFERSON 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

**CAROLYN WATKINS, COURT CLERK  
JEFFERSON 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 18, 2011

Carolyn Watkins, Court Clerk  
Jefferson County Courthouse  
Waurika, Oklahoma 73573

Transmitted herewith is the statutory report for the Jefferson 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".

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

**CAROLYN WATKINS, COURT CLERK  
JEFFERSON COUNTY, OKLAHOMA  
STATUTORY REPORT  
JULY 1, 2008 THROUGH JUNE 30, 2010**

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**CAROLYN WATKINS, COURT CLERK  
JEFFERSON COUNTY, OKLAHOMA  
STATUTORY REPORT  
JULY 1, 2008 THROUGH JUNE 30, 2010**

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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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Carolyn Watkins, Court Clerk  
Jefferson County Courthouse  
220 N. Main, Room 101  
Waurika, Oklahoma 73573

Dear Ms. Watkins:

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 Jefferson 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; 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 and approved, 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 Reports, which were prepared from the Jefferson 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 Jefferson County Court Clerk, which were submitted to the Administrative Office of the Courts.

This report is intended for the information and use of the Jefferson 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 & INSPECTOR

December 30, 2010

**CAROLYN WATKINS, COURT CLERK  
JEFFERSON COUNTY, OKLAHOMA  
COURT FUND ACCOUNT REPORT  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

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Collections:

Court fund fines, fees, and forfeitures	\$ 413,484
Cancelled vouchers	227
Interest earned on deposits	611
Total collections	<u>414,322</u>

Deductions:

Lump sum budget categories:

Juror expenses	6,620
Trial court attorneys	2,100
Transcripts preliminary & trial	5,194
Court computer training	2,230
General office supplies	1,965
Forms printing	730
Publications	287
Postage and freight	2,000
Court reporter supplies	762
Gas, water, and electricity	8,005
General telephone expenses	2,502
Long-distance telephone expense	1,226
Other expenses	131
Total lump sum categories	<u>33,752</u>

Restricted budget categories:

Maintenance of court area(s)	15,265
Security for court areas	9,327
Furniture and fixtures	194
Equipment purchases	10,427
Equipment rentals	1,366
Maintenance of equipment	11,300
OCIS services	14,420
Photocopy equipment rental	3,924
Photocopy equipment maintenance	22,116
Part-time court employees	61,669
Total restricted categories	<u>150,008</u>



**CAROLYN WATKINS, COURT CLERK  
JEFFERSON COUNTY, OKLAHOMA  
COURT FUND ACCOUNT REPORT  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

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Mandated budget categories:	
Law library	5,000
State judicial fund	224,864
Total mandated categories	<u>229,864</u>
Total deductions	<u>413,624</u>
Collections over (under) deductions	698
Beginning account balance July 1, 2008	<u>78,032</u>
Ending account balance June 30, 2009	<u><u>\$ 78,730</u></u>

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

**CAROLYN WATKINS, COURT CLERK  
JEFFERSON COUNTY, OKLAHOMA  
COURT FUND ACCOUNT REPORT  
FOR THE PERIOD JULY 1, 2009 THROUGH JUNE 30, 2010**

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Collections:

Court fund fines, fees, and forfeitures	\$ 305,653
Cancelled vouchers	20
Interest earned on deposits	391
Total collections	<u>306,064</u>

Deductions:

Lump sum budget categories:

Juror expenses	9,167
Trial court attorneys	725
Guardians ad litem fees	56
Transcripts preliminary & trial	6,303
Transcripts appeals	2,303
Court computer training	620
General office supplies	1,799
Forms printing	1,000
Publications	226
Books for records and indexes	499
Postage and freight	1,000
Court reporter supplies	74
Gas, water, and electricity	6,232
General telephone expenses	2,600
Long-distance telephone expense	1,353
Other expenses	1,739
Total lump sum categories	<u>35,696</u>

Restricted budget categories:

Maintenance of court area(s)	590
Equipment purchases	754
Maintenance of equipment	11,635
OCIS services	14,420
Part-time court employees	88,472
Total restricted categories	<u>115,871</u>

**CAROLYN WATKINS, COURT CLERK  
JEFFERSON COUNTY, OKLAHOMA  
COURT FUND ACCOUNT REPORT  
FOR THE PERIOD JULY 1, 2009 THROUGH JUNE 30, 2010**

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Mandated budget categories:	
Law library	5,000
State judicial fund	155,469
Total mandated categories	<u>160,469</u>
Total deductions	<u>312,036</u>
Collections over (under) deductions	(5,972)
Beginning account balance July 1, 2009	<u>78,730</u>
Ending account balance June 30, 2010	<u><u>\$ 72,758</u></u>

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

**CAROLYN WATKINS, COURT CLERK  
JEFFERSON COUNTY, OKLAHOMA  
COURT CLERK REVOLVING FUND REPORT  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

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Collections:	
Court fund revolving fees	\$ 19,777
Total collections	<u>19,777</u>
Deductions:	
Court clerk revolving fund disbursements	<u>12,633</u>
Total deductions	<u>12,633</u>
Collections over (under) deductions	7,144
Beginning account balance July 1, 2008	<u>7,432</u>
Ending account balance June 30, 2009	<u>\$ 14,576</u>

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

**CAROLYN WATKINS, COURT CLERK  
JEFFERSON COUNTY, OKLAHOMA  
COURT CLERK REVOLVING FUND REPORT  
FOR THE PERIOD JULY 1, 2009 THROUGH JUNE 30, 2010**

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Collections:	
Court fund revolving fees	\$ 18,888
Total collections	<u>18,888</u>
Deductions:	
Court clerk revolving fund disbursements	<u>6,890</u>
Total deductions	<u>6,890</u>
Collections over (under) deductions	11,998
Beginning account balance July 1, 2009	<u>14,576</u>
Ending account balance June 30, 2010	<u>\$ 26,574</u>

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

**CAROLYN WATKINS, COURT CLERK  
JEFFERSON COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2010**

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**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, the duties of preparing claims, preparing vouchers, distribution of vouchers, verification of goods and services, posting of transactions, reconciliations, and transaction authorization should be segregated.

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

- The Court Clerk performs the duties of opening mail, issuing receipts, and preparing deposits. However, the Court Clerk is also performing the duties of making deposits.
- One of the 2<sup>nd</sup> Deputies 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 and mailing vouchers.
- The 1<sup>st</sup> Deputy performs the duties of writing vouchers. However, the 1<sup>st</sup> Deputy is also performing the duties of signing and mailing vouchers.

Court Fund:

- The Court Clerk performs the duties of writing vouchers. However, the Court Clerk is also performing the duties of signing and mailing vouchers.
- The 1<sup>st</sup> Deputy performs the duties of writing vouchers. However, the 1<sup>st</sup> Deputy is also performing the duties of signing and mailing vouchers.

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 management review and approval of accounting functions.

**CAROLYN WATKINS, COURT CLERK  
JEFFERSON COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2010**

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Views of responsible officials and planned corrective actions: I have taken measures to correct this problem with the limited amount of employees that I have. I have been cut one employee due to the budget cutback and at present only have three employees. With the limited number of employees, I have involved all of them in some phase of the daily operations. I oversee and make a periodic review of the operations.

**Finding 2009/2010-2 – 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: During our test of revolving fund expenditures, the following was noted:

FYE 6/30/2009

- On 8 of the 11 expenditures tested, claims did not have approval of a majority of the Court Board.
- On 6 of the 11 expenditures tested, claims for travel reimbursement did not have agendas to ensure accuracy or supporting documentation.

FYE 6/30/2010

- On 7 of the 31 expenditures tested, claims did not have approval of a majority of the Court Board.
- On 13 of the 31 expenditures tested, claims for travel reimbursement did not have agendas to ensure accuracy or supporting documentation.
- On 1 of the 31 expenditures tested, the claim could not be located.

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

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SCHEDULE OF FINDINGS AND RESPONSES  
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Recommendation: OSAI recommends that more emphasis be placed on having all claims properly approved with two signatures from the Court Board, and that all claims have an original invoice and/or all supporting documentation attached, including agendas, meal receipts, and travel claims.

Views of responsible officials and planned corrective actions: FYE 2009: I have reviewed 8 of the 11 claims tested and have taken steps to correct these matters. FYE 2010: I have reviewed 7 of the 31 claims tested and have taken steps to correct these matters.”





OFFICE OF THE STATE AUDITOR AND INSPECTOR

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