

**JUDY BEAVERS, COURT CLERK
JOHNSTON COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE YEAR ENDED JUNE 30, 2006**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

May 14, 2007

Judy Beavers, Court Clerk
Johnston County, Oklahoma

Transmitted herewith is the statutory report for the Johnston County, Court Clerk, for the fiscal year ended June 30, 2006. 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,

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

Judy Beavers, Court Clerk
Johnston County Courthouse
Tishomingo, Oklahoma 73460

Dear Ms. Beavers:

We have performed procedures for fiscal year 2006 activity of the Court Fund Account for the purpose of complying with 20 O.S. § 1312. We have also performed procedures for fiscal year 2006 activity of the Court Clerk Revolving Fund as created by 19 O.S. § 220.

- 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.
- Test 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 Johnston County.

Based on the above reconciliations, tests, and procedures performed; the Court Clerk is 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 Clerk Revolving Fund financial records, and District Court case balances reconciled with the County Treasurer's records. With respect to the matter of segregation of duties and the court fund reconciling to the County Treasurer's records, our findings are included in the schedule of findings and recommendations.

- We have prepared 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 Johnston 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

March 7, 2007

**JUDY BEAVERS, COURT CLERK
JOHNSTON COUNTY, OKLAHOMA
COURT FUND ACCOUNT ANALYSIS
JUNE 30, 2006**

Collections:	
Court fund fines, fees, and forfeitures	\$ 251,478
Interest earned on deposits	543
Cancelled vouchers	7,808
Total collections	<u>259,829</u>

Deductions:	
Lump sum budget categories:	
Juror expenses	6,928
Trial court attorneys	10,640
Mental health attorneys	259
Guardianship fees	147
Transcripts preliminary and trial	221
General office supplies	4,431
Forms and printing	1,815
Postage and freight	3,500
Court reporter supplies	400
Gas, water, and electricity	6,600
General telephone expenses	3,469
Long-distance telephone expense	235
Other expenses	460
Total lump sum categories	<u>39,105</u>

Restricted budget categories:	
Maintenance of court area(s)	6,480
Equipment rentals	420
Maintenance of equipment	8,206
OCIS services	18,354
Photocopy equipment maintenance	600
Part-time bailiffs	4,674
Part-time court employees	110,669
Total restricted categories	<u>149,403</u>

**JUDY BEAVERS, COURT CLERK
JOHNSTON COUNTY, OKLAHOMA
COURT FUND ACCOUNT ANALYSIS
JUNE 30, 2006**

Mandated budget categories:	
Law library	7,000
State judicial fund	<u>54,972</u>
Total mandated categories	<u>61,972</u>
Total deductions	<u>250,480</u>
Collections over (under) deductions	9,349
Beginning account balance July 1, 2005	<u>14,716</u>
Ending account balance June 30, 2006	<u><u>\$ 24,065</u></u>

**JUDY BEAVERS, COURT CLERK
JOHNSTON COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND ANALYSIS
JUNE 30, 2006**

Beginning balance	\$ 18,287
Collections	11,307
Disbursements	<u>3,729</u>
Ending account balance	<u>\$ 25,865</u>

**JUDY BEAVERS, COURT CLERK
JOHNSTON COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2006**

Finding 2006-1 – Segregation of Duties (Repeat Finding)

Criteria: Segregation of duties over asset custody, transaction authorization, bookkeeping and reconciliation is an important element of effective internal control over government assets and resources.

Condition: The limited number of office personnel within the Court Clerk's office prevents a proper segregation of accounting functions, which is necessary to assure adequate internal control structure.

Recommendation: We recommend management be aware of this condition 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 knowledge of office operations and a periodic review of operations.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's findings. The Court Clerk does have knowledge of office operations and will perform a periodic review of these operations.

Finding 2006-2 – Reconciliations (Repeat Finding)

Criteria: Safeguarding controls are an aspect of internal control. Safeguarding controls relate to the prevention or timely detection of unauthorized transactions and unauthorized access to assets. Failure to perform tasks that are part of internal controls, such as reconciliations not prepared or not timely prepared, are deficiencies in internal control. Further, reconciliations should be performed on a monthly basis.

Condition: The Court Clerk's court fund balance was not reconciled to the County Treasurer's balance at June 30, 2006. A variance of \$62.24 was noted.

Recommendation: We recommend that the Court Clerk's balances be reconciled monthly to the County Treasurer's ledger balance.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's findings. The variance of \$62.24 was carried over from a previous administration.