

**LOVE
COUNTY
COURT CLERK**

**FOR THE YEAR ENDED
JUNE 30, 2007**

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**KIM JACKSON, COURT CLERK
LOVE COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE YEAR ENDED JUNE 30, 2007**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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June 7, 2010

Kim Jackson, Court Clerk
Love County Courthouse
Marietta, Oklahoma 73448

Transmitted herewith is the statutory report for the Love County Court Clerk for the fiscal year ended June 30, 2007. 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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Kim Jackson, Court Clerk
Love County Courthouse
Marietta, Oklahoma 73448

Dear Ms. Jackson:

We have performed procedures for fiscal year 2007 activity of the Court Fund Account for the purpose of complying with 20 O.S. § 1312. We have also performed procedures for fiscal year 2007 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 Love County.

Based on the above reconciliations, tests, and procedures performed, 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 reconciled with the County Treasurer's records; and the District Court case balances reconciled to the County Treasurer's depository ledger. With respect to Court Clerk Revolving activity and/or balances reconciling to the County Treasurer's records, our finding is presented in the accompanying schedule of findings and responses. In addition, with respect to segregation of duties, our finding is presented in the schedule of findings and responses.

We have prepared a detailed analysis of the Court Fund Account, which is presented following this report.

This report is intended for the information and use of the Love 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

May 11, 2010

**KIM JACKSON, COURT CLERK
LOVE COUNTY, OKLAHOMA
COURT FUND ACCOUNT ANALYSIS
JUNE 30, 2007**

Collections:

Court fund fines, fees, and forfeitures	\$ 459,199
Interest earned on deposits	495
Canceled vouchers, refunds	6,117
Total collections	<u>465,811</u>

Deductions:

Lump sum budget categories:

Juror expenses	8,287
Trial court attorneys	6,186
Physician fees - mental health	470
Transcripts - preliminary and trial	3,297
General office supplies	7,603
Forms printing	704
Publications	25
Books for records, indexes	1,011
Postage and freight	2,400
Court reporter supplies	265
Gas, water, and electricity	4,188
General telephone expenses	2,169
Long-distance telephone expense	585
Other expenses	300
Total lump sum categories	<u>37,490</u>

Restricted budget categories:

Maintenance of court area(s)	4,752
Equipment purchases	9,171
Equipment rentals	1,062
Maintenance of equipment	7,667
OCIS services	17,262
Photocopy equipment maintenance	603
Part-time bailiffs	3,043
Court clerk employees	57,714
Total restricted categories	<u>101,274</u>

**KIM JACKSON, COURT CLERK
LOVE COUNTY, OKLAHOMA
COURT FUND ACCOUNT ANALYSIS
JUNE 30, 2007**

Mandated budget categories:	
Law library	5,000
State judicial fund	<u>322,934</u>
Total mandated categories	<u>327,934</u>
Total deductions	<u>466,698</u>
Collections over (under) deductions	(887)
Beginning account balance July 1, 2006	<u>85,647</u>
Ending account balance June 30, 2007	<u><u>\$ 84,760</u></u>

**KIM JACKSON, COURT CLERK
LOVE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2007**

Finding 2007-1 – 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 the following concerns in regards to recording, authorization, custody, and execution of revenue transactions:

- All employees receive money, write receipts, mail billings or statements and post payments to customer accounts.
- All employees work from the same cash drawer.
- The third deputy, in addition to receiving money and issuing receipts, also opens mail and totals remittances, balances the cash drawer to daily receipts, prepares official depository tickets, takes deposits to the Treasurer, and issues permits.
- The Court Clerk, in addition to receiving money and issuing receipts, posts daily receipts to the cash book, reconciles account balance to the Treasurer, and prepares customer billings.

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

- All employees prepare vouchers, sign vouchers, and mail/distribute vouchers.
- The Court Clerk, in addition to preparing, signing and mailing vouchers; is responsible for calculating amounts vouchered to other funds or agencies, reviewing amounts vouchered to other funds or agencies, posting vouchers to the cash book, authorizing purchases, preparing claims with supporting documentation, approving claims for payment, certifying receipt of goods or services received, and is the custodian of investments.

Effect: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

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 actions: The Court Clerk stated, "As a point of clarification, I have 2 deputies that usually open the mail. Then it is distributed between all 3 deputies to write receipts, file, etc. I review all mail before it is distributed."

**KIM JACKSON, COURT CLERK
LOVE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2007**

Finding 2007-2 – Reconciliation with County Treasurer – Revolving Fund

Criteria: Effective internal controls include the Court Clerk's reconciliation of office ledgers with the County Treasurer at the end of each month.

Condition: The Court Clerk's Revolving Fund did not reconcile with the County Treasurer's general ledger at June 30, 2007. A variance of \$243.27 was noted.

Effect: This condition could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends that the Revolving Fund quarterly reports reconcile with the County Treasurer's ledger.

Views of responsible officials and planned corrective actions: The Court Clerk stated, "I keep a running ledger of all deposits and withdrawals of my revolving fund. I failed to write down an interest deposit; therefore my balance was less than the Treasurer's balance. That has been corrected, and amended reports mailed to the Administrative Office of the Courts."



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