

**MCCURTAIN  
COUNTY  
COURT CLERK**

**FOR THE YEAR ENDED  
JUNE 30, 2009**

**STATUTORY  
REPORT**



Oklahoma State Auditor  
& Inspector

**VICKI JUSTUS, COURT CLERK  
McCURTAIN COUNTY, OKLAHOMA  
STATUTORY REPORT  
FOR THE YEAR ENDED JUNE 30, 2009**

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# STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA  
State Auditor

MICHELLE R. DAY, ESQ.  
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

September 8, 2010

Vicki Justus, Court Clerk  
McCurtain County Courthouse  
Idabel, Oklahoma 74745

Transmitted herewith is the statutory report for the McCurtain County Court Clerk for the fiscal year ended 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 "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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Vicki Justus, Court Clerk  
McCurtain County Courthouse  
Idabel, Oklahoma 74745

Dear Ms. Justus:

We have performed procedures for fiscal year 2009 activity of the Court Fund Account for the purpose of complying with 20 O.S. § 1312. We have also performed procedures for fiscal year 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 McCurtain 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 reconciled with the County Treasurer's records; Court Clerk Revolving Fund financial records reconciled with the County Treasurer's records; however, we noted a matter with the Revolving Fund that we have identified in the schedule of findings and responses. With respect to District Court case balances reconciling with the County Treasurer's records, our finding is presented in the 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 Report, which was prepared from the McCurtain 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 Report, which was prepared by the McCurtain County Court Clerk, which was submitted to the Administrative Office of the Courts.

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

August 4, 2010

**VICKI JUSTUS, COURT CLERK  
McCURTAIN COUNTY, OKLAHOMA  
COURT FUND ACCOUNT REPORT  
JUNE 30, 2009**

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Collections:

Court fund fines, fees, and forfeitures	\$ 889,062
Cancelled vouchers	1,934
Interest earned on deposits	676
Total collections	891,672

Deductions:

Lump sum budget categories:

Juror expenses	29,972
Witness expenses	474
Trial court attorneys	83,575
Mental health attorneys	1,800
Transcripts preliminary	7,949
Transcripts appeals	6,895
General office supplies	22,938
Books for records and indexes	957
Postage and freight	12,823
Court reporter supplies	1,452
Gas, water, and electricity	20,849
General telephone expenses	8,728
Long-distance telephone expense	6,169
Other expenses	4,207
Total lump sum categories	208,788

Restricted budget categories:

Maintenance of court area(s)	9,304
Equipment rentals	8,029
Maintenance of equipment	24,495
OCIS services	36,331
Photocopy equipment maintenance	8,244
Part-time bailiffs	581
Part-time court employees	307,100
Total restricted categories	394,084



**VICKI JUSTUS, COURT CLERK  
McCURTAIN COUNTY, OKLAHOMA  
COURT FUND ACCOUNT REPORT  
JUNE 30, 2009**

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Mandated budget categories:	
Law library	9,000
State judicial fund	352,232
Total mandated categories	<u>361,232</u>
Total deductions	<u>964,104</u>
Collections over (under) deductions	(72,432)
Beginning account balance July 1, 2008	<u>181,553</u>
Ending account balance June 30, 2009	<u><u>\$ 109,121</u></u>

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

**VICKI JUSTUS, COURT CLERK  
McCURTAIN COUNTY, OKLAHOMA  
COURT CLERK REVOLVING FUND REPORT  
JUNE 30, 2009**

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Collections:	
Court fund revolving fees	\$ 64,774
Total collections	<u>64,774</u>
Deductions:	
Court clerk revolving fund disbursements	<u>20,471</u>
Total deductions	<u>20,471</u>
Collections over (under) deductions	44,303
Beginning account balance July 1, 2008	<u>121,039</u>
Ending account balance June 30, 2009	<u><u>\$ 165,342</u></u>

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

**VICKI JUSTUS, COURT CLERK  
McCURTAIN COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2009**

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**Finding 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 the recording, authorization, custody, and execution of revenue transactions. The following are concerns we noted:

- There are twelve full time employees in the Court Clerk's office, including the Court Clerk. All employees have separate cash drawers.
- Each employee balances their own cash drawer with no independent oversight. The duties of preparing the deposit and delivering the deposit to the Treasurer are rotated between all employees. However, on some days, one deputy balances the cash drawer, prepares official depository tickets, and takes the deposit to the Treasurer.

Disbursements:

Court Fund Vouchers:

- The Court Clerk is responsible for requisitioning and issuing vouchers (vouchers are automatically posted to ledgers). The Court Clerk also uses the District Judge's signature stamp for approval of claims. No one other than the Court Clerk reviews the claims.

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 the cash drawer be closed out, reconciled to the employees' daily receipts, and be approved by someone independent of the cash drawer.

Views of responsible officials and planned corrective actions: Due to limited resources, we are unable to segregate financial duties. Also, when the Court Clerk is not available, the first deputy has the authority to write court fund vouchers, but they will be approved by the District Judge and the Court Clerk.

OSAI Response: 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.

**VICKI JUSTUS, COURT CLERK  
McCURTAIN COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2009**

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**Finding 2009-2 – Reconciliation with County Treasurer (Repeat Finding)**

Criteria: A goal of effective internal controls as it relates to governmental entities is to demonstrate accountability and stewardship. To help ensure a proper accounting of funds, subsidiary ledgers should be routinely reconciled with the County Treasurer.

Condition: The Court Clerk's Official Depository account for District Court #5 case balances did not reconcile with the County Treasurer's Official Depository ledger at June 30, 2009. A variance of \$1,172.72 was noted.

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

Recommendation: OSAI recommends that the District Court #5 Official Depository account be reconciled to the County Treasurer's ledger on a monthly basis

Views of responsible officials and planned corrective actions: I will work on this as I have the time. Due to reduction in staff again, this will take longer than anticipated.

**Finding 2009-3 – Revolving Fund Maintained in Official Depository**

Criteria: Title 19 O.S. § 220.A states:

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.

Condition: The Court Clerk's Revolving Fund is set up in the Official Depository and not as a separate fund.

Effect: This condition results in monies not being accounted for in a separate fund as required by 19 O.S. § 220.A.

**VICKI JUSTUS, COURT CLERK  
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SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2009**

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Recommendation: OSAI recommends the Court Clerk's Revolving Fund be set up as a cash fund.

Views of responsible officials and planned corrective action plans: As of April 27, 2010, the Clerk transferred the Revolving Fund to the County Treasurer to make it a continuing cash fund.



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