

McCURTAIN COUNTY COURT CLERK

FOR THE YEAR ENDED
JUNE 30, 2007

STATUTORY REPORT



Oklahoma State Auditor
& Inspector

**VICKI JUSTUS, COURT CLERK
McCURTAIN 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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May 12, 2009

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, 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.

STATE AUDITOR AND INSPECTOR

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

Dear Ms. Justus:

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 McCurtain 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 and did not exceed appropriations; Court Clerk Revolving Fund expenditures were properly supported; District Court vouchers were properly accounted for and issued in accordance with Court instructions; Court Fund activity and Court Clerk Revolving Fund financial records reconciled with the County Treasurer's records. With respect to Court Fund vouchers being properly approved and classified, Court Clerk Revolving Fund expenditures being properly approved, District Court case balances reconciling to the County Treasurer's records, Drug Court expenditures being paid from the Court Fund, and segregation of duties, our findings are included in the schedule of findings and responses.

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 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

March 24, 2009

**VICKI JUSTUS, COURT CLERK
McCURTAIN COUNTY, OKLAHOMA
COURT FUND ACCOUNT ANALYSIS
JUNE 30, 2007**

Collections:

Court fund fines, fees, and forfeitures	\$ 916,076
Interest earned on deposits	1,304
Cancelled vouchers	803
Total collections	<u>918,183</u>

Deductions:

Lump sum budget categories:

Juror expenses	19,448
Trial court attorneys	63,140
Mental health attorneys	900
Transcripts - preliminary and trial	4,033
Transcripts - appeals	5,261
General office supplies	21,313
Books for records, indexes	1,005
Postage and freight	19,258
Court reporter supplies	2,010
Gas, water, and electricity	15,178
General telephone expenses	7,362
Long-distance telephone expense	6,278
Other expenses	3,815
Total lump sum categories	<u>169,001</u>

Restricted budget categories:

Maintenance of court area(s)	5,652
Furniture and fixtures	1,316
Equipment purchases	12,514
Equipment rentals	7,492
Maintenance of equipment	28,835
OCIS services	37,842
Photocopy equipment maintenance	6,627
Part-time bailiffs	528
Per-diem court reporter	271,682
Total restricted categories	<u>372,488</u>

**VICKI JUSTUS, COURT CLERK
McCURTAIN COUNTY, OKLAHOMA
COURT FUND ACCOUNT ANALYSIS
JUNE 30, 2007**

Mandated budget categories:	
Law library	9,000
State judicial fund	341,857
Total mandated categories	<u>350,857</u>
Total deductions	<u>892,346</u>
Collections over (under) deductions	25,837
Beginning account balance July 1, 2006	<u>158,098</u>
Ending account balance June 30, 2007	<u><u>\$ 183,935</u></u>

**VICKI JUSTUS, COURT CLERK
McCURTAIN COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND ANALYSIS
JUNE 30, 2007**

Collections:	
Court fund revolving fees	\$ 80,596
Total collections	<u>80,596</u>
Deductions:	
Court fund disbursements	<u>8,799</u>
Total deductions	<u>8,799</u>
Collections over (under) deductions	71,797
Beginning account balance July 1, 2006	<u>58,927</u>
Ending account balance June 30, 2007	<u>\$ 130,724</u>

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2007-1—Segregation of Duties (Repeat Finding)

Criteria: Accountability and stewardship are overall goals in evaluating management's accounting of funds. To help ensure a proper accounting of funds, the duties of receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization should be segregated.

Condition: Based on inquiries of personnel and testwork performed, it was noted that receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization within the Court Clerk's office were not properly segregated to assure adequate internal control structure.

Effect: This condition 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 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. Management does have knowledge of office operations and will perform a periodic review of these operations.

Finding 2007-2—Drug Court Expenditures Paid From Court Fund (Repeat Finding)

Criteria: Title 20 O.S. § 1304.A states, "Claims against the court fund shall include only expenses lawfully incurred for the operation of the court in each county. Payment of the expenses may be made after the claim is approved by the district judge who is a member of the governing board of the court fund and either the local court clerk or the local associate district judge who is a member of the governing board. No expenditures falling into any category listed in paragraphs 1, 5, 6, 7 and 13 of subsection B of this section, may be made without prior written approval of the Chief Justice of the Supreme Court. The Supreme Court may provide by rule the manner in which expenditures in the restricted categories shall be submitted for approval. When allowing the expenditures in paragraphs 6 and 7 of subsection B of this section, the Chief Justice shall direct that resort first be had to the surplus funds in the court fund in the county involved."

Condition: Drug Court expenditures were paid from the Court Fund.

Effect: This condition could result in unlawful expenditures.

Recommendation: We recommend that the Court Clerk refrain from making expenditures of this nature without prior authorization from the Administrative Office of the Courts.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's finding. The Court Clerk will confer with the Administrative Offices of the Court in the future regarding expenditures of this nature.

Finding 2007-3—Reconciliation with County Treasurer

Criteria: A goal of effective internal control 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, 2007. A variance of \$1,682.22 was noted.

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

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: We concur with the State Auditor's findings. We will work to reconcile accounts in a timely manner.

Finding 2007-4—Court Fund and Revolving Fund Claims

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.

Title 20 O.S. § 1304.A states, "Claims against the court fund shall include only expenses lawfully incurred for the operation of the court in each county. Payment of the expenses may be made after the claim is approved by the district judge who is a member of the governing board of the court fund and either the local court clerk or the local associate district judge who is a member of the governing board.

No expenditures falling into any category listed in paragraphs 1, 5, 6, 7 and 13 of subsection B of this section, may be made without prior written approval of the Chief Justice of the Supreme Court. The Supreme Court may provide by rule the manner in which expenditures in the restricted categories shall be submitted for approval. When allowing the expenditures in paragraphs 6 and 7 of subsection B of this section, the Chief Justice shall direct that resort first be had to the surplus funds in the court fund in the county involved.”

Condition: During our test of claims, we noted the following:

- Seven of 10 Revolving Fund claims were not properly approved. The Court Clerk made copies of a blank claim completed with signature stamps and used it repeatedly.
- Nine of 15 Court Fund claims were not properly approved. The Court Clerk made copies of a blank claim completed with signature stamps and used it repeatedly.

Effect: This condition could result in unlawful expenditures and misappropriation of funds.

Recommendation: OSAI recommends that more emphasis be placed on having all claims approved by the appropriate officials.

Views of responsible officials and planned corrective actions: We concur with the State Auditor’s findings. The Court Clerk will implement procedures for the proper approval of court fund and revolving fund claims and for the safe retention of records.



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