

McINTOSH COUNTY COURT CLERK

FOR THE FISCAL YEAR ENDED
JUNE 30, 2009

STATUTORY REPORT



Oklahoma State Auditor
& Inspector

**CARRIE PITTMAN, COURT CLERK
McINTOSH COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE FISCAL 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

December 13, 2010

Carrie Pittman, Court Clerk
McIntosh County Courthouse
Eufaula, Oklahoma 74432

Transmitted herewith is the statutory report for the McIntosh 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

**CARRIE PITTMAN, COURT CLERK
McINTOSH COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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**CARRIE PITTMAN, COURT CLERK
McINTOSH COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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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Carrie Pittman, Court Clerk
McIntosh County Courthouse
Eufaula, Oklahoma 74432

Dear Ms. Pittman:

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 McIntosh 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, Court Clerk Revolving Fund activity, and District Court case balances reconciled with the County Treasurer's records. However, with respect to segregation of duties, our finding is presented in the accompanying schedule of findings and responses.

We have included in this report the Court Fund Account Reports, which were prepared from the McIntosh 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, prepared by the McIntosh County Court Clerk, which were submitted to the Administrative Office of the Courts.

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

October 28, 2010

**CARRIE PITTMAN, COURT CLERK
McINTOSH COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Collections:	
Court fund fines, fees, and forfeitures	\$ 569,048
Interest earned on deposits	155
Cancelled vouchers	38
Total collections	<u>569,241</u>
Deductions:	
Lump sum budget categories:	
Juror expenses	18,807
Trial court attorneys	23,327
Guardian ad litem fees	531
Transcripts preliminary and trial	3,408
Court computer training	3,219
General office supplies	11,670
Forms printing	205
Books for records and indexes	12,440
Postage and freight	6,118
Court reporter supplies	1,557
General telephone expenses	1,922
Long-distance telephone expense	464
Other expenses	804
Total lump sum categories	<u>84,472</u>
Restricted budget categories:	
Maintenance of courtroom	7,107
Furniture and fixtures	99
Equipment rentals	7,740
Maintenance of equipment	18,607
OCIS services	20,188
Photocopy equipment rental	2,550
Photocopy equipment maintenance	1,437
Part-time court employees	230,841
Total restricted categories	<u>288,569</u>
Mandated budget categories:	
Law library	7,000
State judicial fund	205,892
Total mandated categories	<u>212,892</u>
Total deductions	<u>585,933</u>
Collections over (under) deductions	(16,692)
Beginning account balance July 1, 2008	50,809
Ending account balance June 30, 2009	<u>\$ 34,117</u>

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

**CARRIE PITTMAN, COURT CLERK
McINTOSH COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Collections:	
Court clerk revolving fund fees	\$ 42,837
Total collections	<u>42,837</u>
Deductions:	
Court clerk revolving fund disbursements	<u>68,374</u>
Total deductions	<u>68,374</u>
Collections over (under) deductions	(25,537)
Beginning account balance July 1, 2008	<u>46,650</u>
Ending account balance June 30, 2009	<u>\$ 21,113</u>

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

**CARRIE PITTMAN, COURT CLERK
McINTOSH COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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 property, and record transactions.

Condition: We noted a concentration of duties in regards to recording, authorization, custody, and execution of revenue transactions performed by a single employee:

- Two employees can receipt money received, balance the cash to receipts, prepare the deposit, reconcile the deposit with the receipts, post daily receipts to the cash book, reconcile the account to the Treasurer, and issue permits and licenses, etc.

We noted a concentration of duties in regards to recording, authorization, custody, and execution of expenditure transactions performed by a single employee:

- Two employees can write vouchers, sign vouchers, and certify goods and services have been received. One of these two employees can also post vouchers to the cash book, and mails or distributes vouchers.
- Six employees can write vouchers, sign vouchers, and mail 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. Regarding the receipting process, OSAI recommends management establish separate cash drawers for each employee that receipts monies. The cash drawer should be closed out, reconciled to the employee's daily receipts, and be approved by someone independent of the cash drawer. Regarding the disbursement process, the duties of issuing vouchers and the delivery/disbursement of vouchers should be separated. Also, requisitioning and receiving duties regarding Court Fund disbursements should be separated.

Views of responsible officials and planned corrective actions: In response to management overseeing office operations, I do daily and periodic checks on receipts, cash drawers, and vouchers. The requisitioning and receiving duties are separated. In response to separate cash drawers, due to the layout of the office, it is not feasible to have separate cash drawers. In some areas, they would be left unattended. The way the drawer is set up now, they have to bring the money and put it in the cash drawer and get their receipt so no money is left laying around or unattended. As a mitigating control, employees are required to initial each receipt they issue. In addition, if cash is received, employees are required to note on the face of the receipt what bills were taken in and what bills were given out as change.

**CARRIE PITTMAN, COURT CLERK
McINTOSH COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2009**

OSAI Response: The procedures described by the Court Clerk in the response above are commendable and do serve to mitigate the risk to some degree. However, best practices require that no more than one employee work from the same cash drawer at any given point in time.



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