

**OTTAWA
COUNTY
COURT CLERK**

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

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**CATHY WILLIAMS, COURT CLERK
OTTAWA 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 8, 2010

Cathy Williams, Court Clerk
Ottawa County Courthouse
Miami, Oklahoma 74354

Transmitted herewith is the statutory report for the Ottawa 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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Cathy Williams, Court Clerk
Ottawa County Courthouse
Miami, Oklahoma 74354

Dear Ms. Williams:

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 Ottawa County.

Based on the above reconciliations, tests, and procedures performed, the Court Clerk was collecting the correct fees; 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; and Court Fund activity reconciled with the County Treasurer's records. With respect to Court Clerk Revolving Fund financial records and District Court Case balances reconciling with County Treasurer's records, negative case balances, and the composition of deposits agreeing to receipts, our findings are 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 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 Ottawa 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

April 16, 2010

**CATHY WILLIAMS, COURT CLERK
OTTAWA COUNTY, OKLAHOMA
COURT FUND ACCOUNT ANALYSIS
JUNE 30, 2007**

Collections:	
Court fund fines, fees, and forfeitures	\$ 1,145,371
Interest earned on deposit	1,710
Cancelled vouchers, refunds	260
Total collections	<u>1,147,341</u>
Deductions:	
Lump sum budget categories:	
Juror expenses	35,092
Trial court attorneys	47,404
Mental health hearings	12,310
Guardians ad litem fees	1,388
Transcripts - preliminary & trial	9,946
Transcripts - appeals	7,262
General office supplies	6,315
Forms printing	4,421
Publications	939
Books for records and indexes	1,053
Postage and freight	12,280
Microfilm Supplies	754
Court reporter supplies	2,435
General telephone expense	4,376
Long-distance telephone	281
Other expenses (robes, etc.)	2,955
Total lump sum categories	<u>149,211</u>
Restricted budget categories:	
Maintenance of court areas	4,856
Furniture and fixtures	1,321
Equipment purchases	1,289
Equipment rentals	3,075
Maintenance of equipment	18,900
OCIS services	39,942
Photocopy equipment rental	3,588
Photocopy equipment maintenance	1,827
Court clerk employees	248,047
Total restricted categories	<u>322,845</u>

**CATHY WILLIAMS, COURT CLERK
OTTAWA COUNTY, OKLAHOMA
COURT FUND ACCOUNT ANALYSIS
JUNE 30, 2007**

Mandated categories:	
Law library	9,000
State judicial fund	<u>705,813</u>
Total mandated categories	<u>714,813</u>
Total deductions	<u>1,186,869</u>
Collections over (under) deductions	(39,528)
Beginning account balance July 1, 2006	<u>334,628</u>
Ending account balance June 30, 2007	<u><u>\$ 295,100</u></u>

**CATHY WILLIAMS, COURT CLERK
OTTAWA COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND ANALYSIS
JUNE 30, 2007**

Collections:	
Court fund revolving fees	\$ 79,279
Total collections	<u>79,279</u>
Deductions:	
Court revolving fund expenses	<u>47,959</u>
Total deductions	<u>47,959</u>
Collections over (under) deductions:	31,320
Beginning account balance July 1, 2006	<u>116,843</u>
Ending account balance June 30, 2007	<u>\$ 148,163</u>

SCHEDULE OF FINDINGS AND RESPONSES

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 property, and record transactions. The duties of receiving, receipting, recording, depositing cash and checks, receiving goods and services, preparing claims, and issuing vouchers should all be segregated.

Condition: A concentration of duties exists in the Court Clerk's office because one deputy has the opportunity to perform all of the following related functions with respect to revenue transactions: write receipts, post receipts, reconcile account with the Treasurer, and balance cash drawer. With respect to related expenditure transactions, the deputy signs vouchers, posts vouchers, and distributes vouchers. A concentration of duties also exists because a second employee also performs the same revenue related functions described, except for balancing the cash drawer; however, in addition, the second employee prepares the deposit as well as posting payments to customer accounts in addition to writing and posting receipts, and reconciling with the Treasurer. With respect to expenditure transactions, a concentration of the second employee's duties exists because the second employee prepares vouchers and also signs, posts, and distributes the vouchers. The separate and duplicated functions that the two employees perform are also related to duties of the same transactions.

Effect: These conditions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds because the opportunity exists for one employee to have the ability to control multiple key aspects of a transaction.

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. OSAI recommends management provide segregation of duties so that no one employee is able to perform all accounting functions. 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: This will be corrected.

Finding 2007-2 – Court Clerk Revolving Account Reconciliation (Repeat Finding)

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, a reconciliation should be performed monthly between the Court Clerk's Revolving Fund balance and the Treasurer's General Ledger balance.

Condition: A reconciliation between the Treasurer's General Ledger and the Court Clerk's Revolving Fund is not being performed.

Effect: By failing to reconcile accounts in a timely manner, the risk of misstatement or misappropriation to occur in this account increases. As a result, errors were not detected for the Court Clerk Revolving Fund and resulted in inaccurate Quarterly Reports.

Recommendation: OSAI recommends management take steps to ensure reconciliations are performed on a monthly basis and be reviewed and approved by someone other than the preparer. A monthly reconciliation will enable the Court Clerk to maintain more accurate records by timely catching errors and decrease the risk of misappropriation of funds.

Views of responsible officials and planned corrective actions: This will be corrected.

Finding 2007-3 – Negative Case Balances—District Court

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, error corrections should be made in a timely manner.

Condition: It appears on 12/11/2006, case #PO-06-127 had \$151 wrongly deposited and disbursed. The money was refunded on 4/12/2007, but was not credited by deduction until 5/4/2009.

Effect: By failing to apply corrections in a timely manner, case balances could reflect incorrect or negative balances.

Recommendation: OSAI recommends management take steps to ensure that all corrections to case balances take place in a timely manner.

Views of responsible officials and planned corrective actions: This will be corrected.

Finding 2007-4 – Composition of Deposits

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, cash and checks receipted should agree in composition to cash and checks deposited.

Condition: We noted the composition of cash and checks receipted on 10/20/2006 did not agree to the deposit of the same day.

Effect: By failing to reconcile the composition of cash and checks receipted to the cash and checks deposited, the risk of misstatement or misappropriation to occur increases.

Recommendation: OSAI recommends the Court Clerk ensure the composition of cash and checks receipted agrees to the composition of cash and checks deposited.

Views of responsible officials and planned corrective actions: This will be corrected.



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