

STATUTORY REPORT

# OTTAWA COUNTY COURT CLERK TURNOVER

September 30, 2010



*Independently serving the citizens of  
Oklahoma by promoting the  
accountability and fiscal integrity of  
governmental funds.*



Oklahoma State  
Auditor & Inspector  
Gary A. Jones, CPA, CFE

**COUNTY OFFICER TURNOVER STATUTORY REPORT  
CATHY WILLIAMS  
OTTAWA COUNTY COURT CLERK  
SEPTEMBER 30, 2010**

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This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 19 O.S. § 171, has not been published, but is available on the agency's website ([www.sai.ok.gov](http://www.sai.ok.gov)) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to 74 O.S. § 3105.B.



# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

February 14, 2011

BOARD OF COUNTY COMMISSIONERS  
OTTAWA COUNTY COURTHOUSE  
MIAMI, OKLAHOMA 74354

Transmitted herewith is the Ottawa County Court Clerk Turnover Statutory Report for September 30, 2010. The engagement was conducted in accordance with 19 O.S. § 171.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of our engagement.

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 "Gary A. Jones".

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR



# Oklahoma State Auditor & Inspector

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

For the purpose of complying with 19 O.S. § 171, we have performed the following procedures for September 30, 2010:

- Verify that equipment items on hand agree with inventory records as per 19 O.S. § 178.
- Verify that the Office is not exceeding the maximum amount of cash authorized for their change needs per 19 O.S. § 682.
- Verify that a monthly report of the Office is on file with the County Clerk per 19 O.S. § 684.
- Verify that the Officers' depository account balances reconcile with the County Treasurer's records and that undeposited cash reconciles to receipts.

Information addressed in this report is the representation of the respective county officers.

Our county officer turnover engagement was limited to the statutory procedures described above and was less in scope than an examination or audit performed in accordance with auditing standards generally accepted in the United States of America, the objective of which would be the expression of an opinion. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Based on our procedures performed, the Office was not exceeding the maximum amount of cash authorized for their change needs; a monthly report of the Office was on file with the County Clerk; and the Officers' depository account balances reconcile with the County Treasurer's records and undeposited cash reconciles to receipts. With respect to equipment items on hand agreeing with inventory records and a matter of segregation of duties, our findings are presented in the accompanying schedule of findings and responses.

This report is intended solely for the information and use of the management of the County and should not be used for any other purpose. This report is also a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.), and shall be open to any person for inspection and copying.

A handwritten signature in blue ink, reading "Gary A. Jones". The signature is written in a cursive style with a large initial "G" and a long, sweeping underline.

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR

January 20, 2011

**COUNTY OFFICER TURNOVER STATUTORY REPORT**  
**CATHY WILLIAMS**  
**OTTAWA COUNTY COURT CLERK**  
**SEPTEMBER 30, 2010**

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2011-1 – Lack of Inventory**

Criteria: An important aspect of internal controls is the safeguarding of assets. Internal controls over safeguarding of assets constitute a process, affected by an entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets and safeguard assets from loss, damage, or misappropriation.

Title 19 O.S. § 178.1 states in part:

The board of county commissioners in each county of this state shall take, or cause to be taken, an inventory of all working tools, apparatus, machinery and equipment belonging to the county or leased or otherwise let to it or to any department thereof, other than that which is affixed to and made a part of lands and buildings, the cost of which as to each complete working unit thereof is more than Five Hundred Dollars (\$500.00), and therefore maintain or cause to be maintained a continuous inventory record thereof and of like tools, apparatus, machinery and equipment purchased, leased, or otherwise coming into custody of the county or of any office, board, department, commission or any or either thereof, and the disposition thereof whether sold, exchanged, leased, or let where authorized by statute, junked, strayed or stolen, and biennially thereafter, or oftener...

Title 19 O.S. § 421 states in part:

From and after the effective date of this act, each board of county commissioners of the several counties in the state shall within thirty (30) days after the disposition of any tools, apparatus, machinery, and equipment belonging to the county or leased or otherwise let to it or any department thereof, the original cost of which is more than Five Hundred Dollars (\$500.00), whether sold, exchanged, junked, leased or let where authorized by statute, shall enter, or cause to be entered, in the minutes of the proceedings of the board the fact of such disposition, including complete description of item, serial number, the date property was acquired, the name and address of the person or firm from whom property was acquired, the cost price at time of acquisition or contract price if acquired under lease-rental agreement, the date of disposition, the name and address of the person or firm to whom property transferred, the price received therefore and the reason for disposition.

Condition: From test work performed, it appears equipment inventory lists for the Court Clerk's office were not complete. Also, the inventory list presented from the Court Clerk did not match the inventory list presented from the County Clerk's office. Both inventory lists were not up to date.

Effect: Inventory items were not accurately accounted for and the County's assets may not be safeguarded.

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Recommendation: OSAI recommends the Board of County Commissioners cause to be taken a biennial inventory of all working tools, apparatus, machinery, and equipment belonging to the County. OSAI also recommends that these inventories be documented and filed with the County Clerk.

Views of responsible officials and planned corrective actions: I have received the turnover audit as of September 30, 2010. I was appointed to my position as Ottawa County Court Clerk effective October 1, 2010. After reviewing the report I am advising you the problems set out in the report will be corrected.

**Finding 2011-2 - Segregation of Duties**

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: A lack of segregation of duties exists in the Court Clerk's office because the Clerk opens the mail, writes the receipts, balances the cash drawer, prepares deposit, posts receipts, calculates vouchers, writes vouchers, signs vouchers, and mails vouchers. One deputy opens the mail, writes receipts, prepares deposits, takes deposits to the Treasurer, posts deposits, and reconciles the account with the Treasurer. Furthermore, the Deputy prepares and signs the vouchers and mails or distributes the vouchers. Another Deputy writes receipts, balances the cash drawer, prepares the deposit, takes the deposit to the Treasurer, posts receipts, and reconciles account with the Treasurer. That same Deputy calculates, prepares, signs, posts, and distributes 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. 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: I have received the turnover audit as of September 30, 2010. I was appointed to my position as Ottawa County Court Clerk effective October 1, 2010. After reviewing the report I am advising you the problems set out in the report will be corrected.



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