

WASHINGTON COUNTY COURT CLERK

FOR THE YEAR ENDED
JUNE 30, 2005

STATUTORY REPORT



Oklahoma State Auditor
& Inspector

**MARTHA MERSCH, COURT CLERK
WASHINGTON COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE YEAR ENDED JUNE 30, 2005**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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July 22, 2009

Martha Mersch, Court Clerk
Washington County Courthouse
Bartlesville, Oklahoma 74003

Transmitted herewith is the statutory report for the Washington County Court Clerk for the fiscal year ended June 30, 2005. 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

**MARTHA MERSCH, COURT CLERK
WASHINGTON COUNTY, OKLAHOMA
STATUTORY REPORT
JUNE 30, 2005**

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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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Martha Mersch, Court Clerk
Washington County Courthouse
Bartlesville, OK 74003

Dear Ms. Mersch:

We have performed procedures for fiscal year 2005 activity of the Court Fund Account for the purpose of complying with 20 O.S. § 1312. We have also performed procedures for fiscal year 2005 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 Washington 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, 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 to 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, vouchers being cancelled in accordance with state statute, and segregation of duties, our findings are included in the accompanying 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 Washington 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

July 7, 2008

**MARTHA MERSCH, COURT CLERK
WASHINGTON COUNTY, OKLAHOMA
COURT FUND ACCOUNT ANALYSIS
JUNE 30, 2005**

Collections:

Court fund fines, fees, and forfeitures	\$ 892,453
Interest earned on deposit	4,907
Total collections	<u>897,360</u>

Deductions:

Lump sum budget categories:

Juror expenses	42,101
Trial court attorneys	80,657
Transcripts-Preliminary & trial	4,273
Transcripts-appeals	7,140
General office supplies	13,551
Forms printing	5,434
Publications	2,554
Books for records, indexes	559
Postage & freight	5,227
Court reporter supplies	1,652
Gas, water & electricity	32,579
Long-distance telephone expense	19
Other expenses	738
Total lump sum categories	<u>196,484</u>

Restricted budget categories:

Maintenance of court area(s)	22,662
Security of court area	19,749
Furniture & fixtures	525
Equipment rentals	4,916
Maintenance of equipment	22,934
OCIS services	32,470
Photocopy equipment rental	5,054
Photocopy equipment maintenance	2,892
Part-time bailiffs	6,230
Part-time court employees	114,820
Total restricted categories	<u>232,252</u>

**MARTHA MERSCH, COURT CLERK
WASHINGTON COUNTY, OKLAHOMA
COURT FUND ACCOUNT ANALYSIS
JUNE 30, 2005**

Mandated categories:	
Law library	9,000
State judicial fund	<u>473,724</u>
Total mandated categories	<u>482,724</u>
Total deductions	<u>911,460</u>
Collections over (under) deductions	(14,100)
Beginning account balance July 1, 2004	<u>284,685</u>
Ending account balance June 30, 2005	<u><u>\$ 270,585</u></u>

**MARTHA MERSCH, COURT CLERK
WASHINGTON COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND ANALYSIS
JUNE 30, 2005**

Beginning balance as restated	\$ 93,081
Collections	29,917
Disbursements	<u>21,154</u>
Ending account balance June 30, 2005	<u><u>\$ 101,844</u></u>

**MARTHA MERSCH, COURT CLERK
WASHINGTON COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2005**

Finding 2005-1 – 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 test work performed, it was noted that receiving, receipting, recording, depositing cash and checks, reconciliation, and transaction authorization within the Court Clerk's office were not properly segregated to assure adequate internal control structure.

Effect: These conditions 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 the 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 are a small office, with one full time bookkeeper, we try to keep her segregated from the everyday work load, if possible, but from time to time she helps with the customers as well as I sometimes help in this area. We understood this to be the segregation required. We often work together in reconciling the month's end filings.

Finding 2005-2 – Reconciliation (Repeat Finding)

Criteria: The overall goal of effective internal controls as they relate to governmental entities in evaluating management's accounting for funds is to demonstrate accountability and stewardship. To help ensure a proper accounting of funds, a reconciliation should be performed monthly between the County Treasurer and the County Court Clerk.

Condition: Based on test work performed, it appears reconciliations are not being performed and maintained between the County Treasurer and the County Court Clerk.

Effect: By failing to reconcile accounts in a timely manner the risk of misstatement or misappropriation increases. As a result, misstatements or misappropriation of funds would not be detected in a timely manner.

Recommendation: OSAI recommends management take steps to ensure reconciliations are performed on a monthly basis and the reconciliation should be reviewed and approved by someone other than the preparer.

**MARTHA MERSCH, COURT CLERK
WASHINGTON COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2005**

Views of responsible officials and planned corrective actions: We have worked extensively with Brenda Warren and Julia Patrick (Kellpro) over the years to be able to reconcile our records. There were entry errors when we converted from our book records to the computer, so this was an inherited error we believe we have finally solved.

Finding 2005-4 – Cancelled Vouchers (Repeat Finding)

Criteria: Title 62 O.S. § 488 states in part, "No check issued or voucher registered by the treasurer of any county in this state shall be honored by the bank on which it is drawn or by his registration made payable if not presented within a reasonable time under the circumstances, or in any event unless presented within one (1) year of the date of issue. ...it shall be the duty of the county treasurer to make entry of cancellation opposite the record of the check or registration of the voucher, and shall forthwith credit the amount thereof to the fund on which it was drawn..."

Condition: We observed vouchers in the Official Depository Cancelled Voucher file that are not being cancelled within the one year limit.

Effect: This condition could result in undetected errors, inaccurate records, or incomplete information.

Recommendation: OSAI recommends management take steps to ensure all vouchers are cancelled within the time limits allowed by state statutes.

Views of responsible officials and planned corrective actions: We cancel the vouchers from the listing we receive from the County Treasurer. As you may be aware, we have had some difficulties in our County with our past Treasurer, and these were not received in a timely manner. We have a new Treasurer since last June and believe this problem is now resolved.

Although, it sounds like a very weak excuse, we have had several new changes in personnel, new Judges, new DAs, and of course the Treasurer. We are taking steps to address and solve all these issues.



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