

# WASHINGTON COUNTY COURT CLERK

FOR THE YEAR ENDED  
JUNE 30, 2007

# STATUTORY REPORT



Oklahoma State Auditor  
& Inspector

**MARTHA MERSCH, COURT CLERK  
WASHINGTON 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



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](http://www.sai.ok.gov)

July 23, 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, 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". The signature is written in a cursive style.

STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

**MARTHA MERSCH, COURT CLERK  
WASHINGTON COUNTY, OKLAHOMA  
STATUTORY REPORT  
JUNE 30, 2007**

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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, Oklahoma 74003

Dear Ms. Mersch:

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 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; and District Court vouchers were properly accounted for and issued in accordance with Court instructions. With respect to Court Fund Activity, 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, 2007**

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Collections:

Court fund fines, fees, and forfeitures	\$ 792,199
Interest earned on deposit	8,715
Cancelled vouchers, refunds	<u>148</u>
Total collections	<u>801,062</u>

Deductions:

Lump sum budget categories:

Juror expenses	24,739
Trial court attorneys	86,958
Transcripts - preliminary & trial	5,565
Transcripts - appeals	6,847
General office supplies	14,637
Forms printing	3,475
Publications	1,634
Books for records and indexes	20,967
Postage and freight	13,408
Court reporter supplies	2,001
Gas, water, and electricity	37,777
Other expenses (robes, etc.)	<u>1,698</u>
Total lump sum categories	<u>219,706</u>

Restricted budget categories:

Security for court area	21,345
Maintenance of court areas	23,976
Furniture and fixtures	4,719
Equipment purchases	1,870
Equipment rentals	3,819
Maintenance of equipment	22,384
OCIS services	39,964
Photocopy equipment rental	6,556
Photocopy equipment maintenance	6,500
Part-time bailiffs	7,445
Per diem reporters	111
Part-time court clerk employees	<u>112,516</u>
Total restricted categories	<u>251,205</u>



**MARTHA MERSCH, COURT CLERK  
WASHINGTON COUNTY, OKLAHOMA  
COURT FUND ACCOUNT ANALYSIS  
JUNE 30, 2007**

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Mandated categories:	
Law library	9,000
State judicial fund	<u>299,359</u>
Total mandated categories	<u>308,359</u>
Total deductions	<u>779,270</u>
Collections over (under) deductions	21,792
Beginning account balance July 1, 2006	<u>263,182</u>
Ending account balance June 30, 2007	<u><u>\$ 284,974</u></u>

**MARTHA MERSCH, COURT CLERK  
WASHINGTON COUNTY, OKLAHOMA  
COURT CLERK REVOLVING FUND ANALYSIS  
JUNE 30, 2007**

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Beginning balance	\$ 101,226
Collections	30,863
Disbursements	<u>42,811</u>
Ending account balance June 30, 2007	<u>\$ 89,278</u>

**MARTHA MERSCH, COURT CLERK  
WASHINGTON COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2007**

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**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 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 2007-2 – 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.

On 11/3/06, voucher #25014 was voided by the Court Clerk's office. However, on 11/3/06, the Treasurer's office registered voucher #25014 (register #45981) in the amount of \$100.00.

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.

**MARTHA MERSCH, COURT CLERK  
WASHINGTON COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2007**

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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. A monthly reconciliation will enable the Court Clerk to maintain more accurate records by timely catching errors and decrease the risk of misappropriated funds.

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 2007-4 – Cancelled Vouchers (Repeat Finding)**

Criteria: Title 62 O.S. § 488 states in part, “No check issued or voucher registered by treasurer of any county in this state shall be honored by the bank...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... 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.



**OFFICE OF THE STATE AUDITOR AND INSPECTOR  
2300 N. LINCOLN BOULEVARD, ROOM 100  
OKLAHOMA CITY, OK 73105-4896**

**[WWW.SAI.OK.GOV](http://WWW.SAI.OK.GOV)**