

# CHOCTAW COUNTY COURT CLERK

FOR THE YEAR ENDED  
JUNE 30, 2009

# STATUTORY REPORT



Oklahoma State Auditor  
& Inspector

**JIMMY L. WALKER, COURT CLERK  
CHOCTAW COUNTY, OKLAHOMA  
STATUTORY REPORT  
FOR THE 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

October 5, 2010

Jimmy L. Walker, Court Clerk  
Choctaw County Courthouse  
Choctaw, Oklahoma 74743

Transmitted herewith is the statutory report for the Choctaw 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 "Michelle R. Day".

MICHELLE R. DAY, ESQ.  
DEPUTY 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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Jimmy L. Walker, Court Clerk  
Choctaw County Courthouse  
Choctaw, Oklahoma 74743

Dear Ms. Walker:

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 Choctaw 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, 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. With respect to Court Fund vouchers being properly approved and a matter of 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 Report, which was prepared from the Choctaw 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 Report, which was prepared by the Choctaw County Court Clerk, which was submitted to the Administrative Office of the Courts.

This report is intended for the information and use of the Choctaw 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,



MICHELLE R. DAY, ESQ.  
DEPUTY STATE AUDITOR & INSPECTOR

August 9, 2010

**JIMMY L. WALKER, COURT CLERK  
CHOCTAW COUNTY, OKLAHOMA  
COURT FUND ACCOUNT REPORT  
JUNE 30, 2009**

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Collections:

Court fund fines, fees, and forfeitures	\$	373,914
Cancelled vouchers		521
Interest earned on deposits		400
Total collections		374,835

Deductions:

Lump sum budget categories:

Juror expenses		6,909
Trial court attorneys		23,512
Mental health attorneys		120
Transcripts preliminary and trial		5,983
General office supplies		10,848
Forms printing		50
Publications		330
Books for records and indexes		889
Postage and freight		11,000
Court reporter supplies		924
General telephone expenses		4,815
Long-distance telephone expense		568
Other expenses		200
Total lump sum categories		66,148

Restricted budget categories:

Maintenance of court area(s)		1,913
Furniture and fixtures		1,458
Equipment rentals		1,584
Maintenance of equipment		10,842
OCIS services		19,096
Photocopy equipment maintenance		5,196
Per-diem court reporters		5,750
Part-time court employees		143,006
Total restricted categories		188,845



**JIMMY L. WALKER, COURT CLERK  
CHOCTAW COUNTY, OKLAHOMA  
COURT FUND ACCOUNT REPORT  
JUNE 30, 2009**

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Mandated budget categories:	
Law library	7,000
State judicial fund	114,436
Total mandated categories	<u>121,436</u>
Total deductions	<u>376,429</u>
Collections over (under) deductions	(1,594)
Beginning account balance July 1, 2008	<u>34,085</u>
Ending account balance June 30, 2009	<u><u>\$ 32,491</u></u>

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

**JIMMY L. WALKER, COURT CLERK  
CHOCTAW COUNTY, OKLAHOMA  
COURT CLERK REVOLVING FUND REPORT  
JUNE 30, 2009**

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Collections:	
Court fund revolving fees	<u>\$ 25,857</u>
Total collections	<u>25,857</u>
Deductions:	
Court clerk revolving fund disbursements	<u>15,069</u>
Total deductions	<u>15,069</u>
Collections over (under) deductions	10,788
Beginning account balance July 1, 2008	<u>41,694</u>
Ending account balance June 30, 2009	<u><u>\$ 52,482</u></u>

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

**JIMMY L. WALKER, COURT CLERK  
CHOCTAW COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2009**

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**Finding 2009-1 – Court Fund Claim Approval and 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 assets, and record transactions.

Condition: We noted instances in which a single person could be responsible for the recording, authorization, custody, and execution of revenue transactions. The following are concerns we noted:

- There are six full time employees in the Court Clerk's office, including the Court Clerk. All employees work out of the same cash drawer.
- The duties of balancing the cash drawer, preparing the deposit, and delivering the deposit to the Treasurer are rotated between all employees. However, on some days, one deputy balances the cash drawer, prepares official depository tickets, takes the deposit to the Treasurer, and reconciles the account balance with the Treasurer.

Disbursements:

Court Fund Vouchers

- The Court Clerk is responsible for requisitioning and issuing vouchers (vouchers are automatically posted to ledgers). The Court Clerk also uses the District Judge's signature stamp for approval of claims. No one other than the Court Clerk reviews the claims.

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.

Views of responsible officials and planned corrective actions: Because of the cut in all of our budgets it is next to impossible to purchase cash drawers for each of our employees. I realize it would be much more efficient the way you have suggested, but at this time we are unable to comply. We have operated the same way for many years with no errors. We have -0- balance in our office supply category. I will try to segregate the various duties in my office.

**JIMMY L. WALKER, COURT CLERK  
CHOCTAW COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2009**

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OSAI Response: 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. The approval process should be separated from the transaction process.



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