

STATUTORY REPORT

CLEVELAND COUNTY COURT CLERK

For the period July 1, 2008 through June 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

**RHONDA HALL, COURT CLERK
CLEVELAND COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2010**



Oklahoma State Auditor & Inspector

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

November 15, 2011

Rhonda Hall, Court Clerk
Cleveland County Courthouse
Norman, Oklahoma 73069

Transmitted herewith is the statutory report for the Cleveland County Court Clerk for the period July 1, 2008 through June 30, 2010. 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.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

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

Sincerely,

A handwritten signature in blue ink, reading "Gary A. Jones". The signature is fluid and cursive, with the first name "Gary" being more prominent than the last name "Jones".

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

**RHONDA HALL, COURT CLERK
CLEVELAND COUNTY, OKLAHOMA
STATUTORY REPORT
JULY 1, 2008 THROUGH JUNE 30, 2010**

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**RHONDA HALL, COURT CLERK
CLEVELAND COUNTY, OKLAHOMA
STATUTORY REPORT
JULY 1, 2008 THROUGH JUNE 30, 2010**

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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Rhonda Hall, Court Clerk
Cleveland County Courthouse
Norman, Oklahoma 73069

Dear Ms Hall:

We have performed procedures for the period July 1, 2008 through June 30, 2010, activity of the Court Fund Account for the purpose of complying with 20 O.S. § 1312. We have also performed procedures for the period July 1, 2008 through June 30, 2010, 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 Cleveland County.

Based on our procedures performed, we have presented our findings in the accompanying schedule.

We have included in this report the Court Fund Account Reports, which were prepared from the Cleveland 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 Reports, which were prepared by the Cleveland County Court Clerk, which were submitted to the Administrative Office of the Courts.

This report is intended for the information and use of the Cleveland 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.

A handwritten signature in blue ink, appearing to read "Gary A. Jones", with a long horizontal flourish extending to the right.

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

June 20, 2011

**RHONDA HALL, COURT CLERK
CLEVELAND COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

Collections:

Court fund fines, fees, and forfeitures	\$ 3,414,592
Cancelled vouchers	3,116
Interest earned on deposit	3,981
Transfer from state judicial fund	153,899
Transfer from encumbered account	1,372,049
Total collections	<u>4,947,637</u>

Deductions:

Lump sum budget categories:

Juror expenses	121,639
Trial court attorneys	213,925
Appeals attorneys	3,000
Mental health attorneys	129,775
Guardianship ad litem fees	36,875
Physicians fees - mental health	19,530
Transcripts - preliminary and trial	50,154
General office supplies	28,478
Forms printing	30,594
Publications	2,634
Postage and freight	31,382
Microfilm supplies	693
Court reporter supplies	8,368
Gas, water, and electricity	23,163
General telephone expense	6,152
Other expenses	6,840
Total lump sum categories	<u>713,202</u>

Restricted budget categories:

Renovation and remodel	1,451,375
Security for court areas	17,198
Furniture and fixtures	11,798
Equipment purchases	42,125
Equipment rentals	6,748
Maintenance of equipment	24,224
OCIS services	112,896
Photocopy equipment rental	28,782
Part-time bailiffs	15,480
Per-diem court reporters	3,631
Part-time court employees	550,559
Total restricted categories	<u>2,264,816</u>

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

**RHONDA HALL, COURT CLERK
CLEVELAND COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

Mandated categories:	
Law library	10,000
State judicial fund	<u>1,816,062</u>
Total mandated categories	<u>1,826,062</u>
 Total deductions	 <u>4,804,080</u>
 Collections over (under) deductions	 143,557
 Beginning account balance July 1, 2008	 <u>868,826</u>
 Ending account balance June 30, 2009	 <u><u>\$ 1,012,383</u></u>

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

**RHONDA HALL, COURT CLERK
CLEVELAND COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
FOR THE PERIOD JULY 1, 2009 THROUGH JUNE 30, 2010**

Collections:

Court fund fines, fees, and forfeitures	\$ 3,664,156
Cancelled vouchers	2,023
Interest earned on deposits	1,171
Total collections	<u>3,667,350</u>

Deductions:

Lump sum budget categories:

Juror expenses	145,389
Witness expenses	1,006
Trial court attorneys	233,430
Appeal attorneys	1,000
Mental health attorneys	134,300
Guardianship ad litem fees	27,850
Physicians fees - mental health	18,655
Transcripts - preliminary and trial	55,701
General office supplies	27,854
Forms printing	22,844
Publications	4,401
Postage and freight	32,183
Microfilm supplies	550
Court reporter supplies	6,544
Gas, water and electricity	14,198
General telephone expense	6,659
Other expenses	9,038
Total lump sum categories	<u>741,602</u>

Restricted budget categories:

Equipment rentals	4,146
Maintenance of equipment	28,743
OCIS services	112,896
Photocopy equipment rental	27,910
Part-time bailiffs	13,008
Per-diem court reporters	5,700
Part-time court employees	530,700
Total restricted categories	<u>723,103</u>

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

**RHONDA HALL, COURT CLERK
CLEVELAND COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
FOR THE PERIOD JULY 1, 2009 THROUGH JUNE 30, 2010**

Mandated categories:	
Law library	10,000
State judicial fund	<u>2,391,442</u>
Total mandated categories	<u>2,401,442</u>
 Total deductions	 <u>3,866,147</u>
 Collections over (under) deductions	 (198,797)
 Beginning account balance July 1, 2009	 <u>1,012,383</u>
 Ending account balance June 30, 2010	 <u><u>\$ 813,586</u></u>

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

**RHONDA HALL, COURT CLERK
CLEVELAND COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND REPORT
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

Collections:	
Court fund revolving fees	<u>\$ 157,203</u>
Total collections	<u>157,203</u>
Deductions:	
Court clerk revolving fund disbursements	<u>140,745</u>
Total deductions	<u>140,745</u>
Collections over (under) deductions	16,458
Beginning account balance July 1, 2008	<u>417,615</u>
Ending account balance June 30, 2009	<u>\$ 434,073</u>

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

**RHONDA HALL, COURT CLERK
CLEVELAND COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND REPORT
FOR THE PERIOD JULY 1, 2009 THROUGH JUNE 30, 2010**

Collections:	
Court fund revolving fees	<u>\$ 161,369</u>
Total collections	<u>161,369</u>
Deductions:	
Court clerk revolving fund disbursements	<u>67,097</u>
Total deductions	<u>67,097</u>
Collections over (under) deductions	94,272
Beginning account balance July 1, 2009	<u>434,073</u>
Ending account balance June 30, 2010	<u>\$ 528,345</u>

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

**RHONDA HALL, COURT CLERK
CLEVELAND COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE PERIOD JULY 1, 2009 THROUGH JUNE 30, 2010**

Finding 2009/2010-1 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 assets, and record transactions.

Condition: It was noted that asset custody, transaction authority, bookkeeping, and reconciliations were not properly segregated to ensure adequate internal control structure.

- The employee who opens the mail also issues receipts for payments received by mail. No log is maintained of mail receipts.
- More than one employee has access to each cash drawer.
- The Court Clerk prepares claims, authorizes purchases, prepares vouchers, signs vouchers, and mails/distributes vouchers for the Court Fund.

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 that management be aware of this condition 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 knowledge of office operations and a periodic review of operations.

- The duties of opening mail/preparing log and issuing receipts should not be performed by the same individual.
- Each employee, who is assigned the duty of taking payments/issuing receipts, should be provided a separate cash drawer/money bag.
- The duties of preparing claims, authorizing purchases, preparing vouchers, signing vouchers, and mailing/distributing vouchers for the Court Fund should be segregated among employees.

Management Response: The Cleveland County Court Clerk disagrees with the audit finding as stated. The Criteria states "Accountability and stewardship are overall goals of management," which conflicts with the audit finding. Government Auditing Standards – Basic Premise 1.13(b) clearly states "Public officials and others entrusted with handling public resources are responsible for applying those resources efficiently, economically, and effectively to achieve the purposes for which the resources were furnished."

The Cleveland County Court Clerk has a budget established by the Oklahoma Supreme Court to maintain such handling of public resources and is charged with avoiding unnecessary and redundant personal or time consuming procedures which are not cost effective and would burden public resources. The Court

**RHONDA HALL, COURT CLERK
CLEVELAND COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2010**

Clerk has established controls and checks and balances which are effectively designed to protect those resources without having incurred additional costs for personnel.

Government Auditing Standard 6.41(d) provides that “Controls over the safeguarding of resources include policies and procedures that management has implemented to reasonably ensure that resources are safeguarded against waste, loss, and misuse.” The Court Clerk has sufficient controls and procedures in place which have existed for many years designed to detect and safeguard assets without wasting scarce resources on unnecessary personnel or procedures. Adding additional personnel or further disseminating duties and responsibilities would actually dilute current controls and ultimately waste scarce public resources.

There has not been any instance that would show the current safeguards, policies, and/or controls are not sufficient to avoid or detect misappropriation of funds in a timely manner or the other issues as generically proposed or stated in the possible “Effect.” Government Auditing Standard 6.46 states that sufficient, competent, and relevant evidence is too obtained to afford a reasonable basis for the findings and conclusions. In this instance no correlation has been discussed regarding the budget set by the Supreme Court or inability to hire additional personnel. Additionally, no evidence exists that the current controls and/or procedures are not sufficient except in an abstract sense.

The Cleveland County Court Clerk appreciates the input from the auditors but disagrees with the stated condition, effect, and recommendations as the operation of the Court Clerk’s Office complies with the laws of the State of Oklahoma and is within the budget constraints set by the Supreme Court. The Condition as stated did not address the current controls and procedures or the long history of operation.

Auditor Response: OSAI commends the Court Clerk for complying with the laws of the State of Oklahoma and budget constraints set by the Supreme Court; however, the job duties related to receipting collections and issuance of vouchers are not adequately segregated and no mitigating controls have been designed and implemented.



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