

**COAL  
COUNTY  
COURT CLERK**

**FOR THE YEAR ENDED  
JUNE 30, 2009**

**STATUTORY  
REPORT**



Oklahoma State Auditor  
& Inspector

**RACHEL FULLER, COURT CLERK  
COAL 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



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September 7, 2010

Rachel Fuller, Court Clerk  
Coal County Courthouse  
Coalgate, Oklahoma 74538

Transmitted herewith is the statutory report for the Coal 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 "Steve Burrage".

STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

**RACHEL FULLER, COURT CLERK  
COAL COUNTY, OKLAHOMA  
STATUTORY REPORT  
JUNE 30, 2009**

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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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Rachel Fuller, Court Clerk  
Coal County Courthouse  
Coalgate, Oklahoma 74538

Dear Ms. Fuller:

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 Coal County.

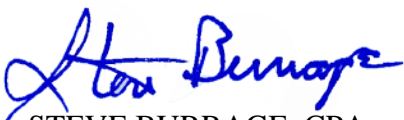
Based on the above reconciliations, tests, procedures performed, and the items tested, the Court Clerk was collecting the correct fees and properly accounting for them; District Court vouchers were properly accounted for and issued in accordance with Court instructions; and Court Fund vouchers were properly approved, classified, and did not exceed appropriations. With respect to proper approvals of expenditures for the Court Clerk Revolving Fund, proper supporting documentation for the Court Fund and the Court Clerk Revolving Fund, and Court Fund activity, Court Clerk Revolving Fund financial records, and District Court case balances reconciling with the County Treasurer's records, our findings are presented in the accompanying schedule of findings and responses. In performing the procedures, we noted matters of segregation of duties and timeliness of deposits, and our findings are presented in the schedule of findings and responses.

We have included in this report the Court Fund Account Report, which was prepared from the Coal 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 Coal County Court Clerk, which was submitted to the Administrative Office of the Courts.

This report is intended for the information and use of the Coal 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

August 30, 2010

**RACHEL FULLER, COURT CLERK  
COAL COUNTY, OKLAHOMA  
COURT FUND ACCOUNT REPORT  
JUNE 30, 2009**

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Collections:

Court fund fines, fees, and forfeitures	\$ 352,427
Interest earned on deposits	119
Total collections	352,546

Deductions:

Lump sum budget categories:

Juror expenses	5,543
Indigent defense	6,750
Trial court attorneys	22,750
General office supplies	2,672
Forms printing	1,500
Books for records, indexes	12,460
Postage and freight	3,462
Court reporter supplies	301
Gas, water, and electricity	12,000
General telephone expenses	2,960
Long-distance telephone expense	511
Other expenses	22
Total lump sum categories	70,931

Restricted budget categories:

Renovation and remodeling	17,169
Maintenance of court area(s)	2,485
Equipment purchases	475
Equipment rentals	1,396
Maintenance of equipment	9,338
OCIS services	11,536
Photocopy equipment rental	996
Photocopy equipment maintenance	850
Part-time court employees	48,804
Total restricted categories	93,049



**RACHEL FULLER, COURT CLERK  
COAL COUNTY, OKLAHOMA  
COURT FUND ACCOUNT REPORT  
JUNE 30, 2009**

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Mandated budget categories:	
Law library	5,000
State judicial fund	218,613
Total mandated categories	<u>223,613</u>
Total deductions	<u>387,593</u>
Collections over (under) deductions	(35,047)
Beginning account balance July 1, 2008	<u>86,092</u>
Ending account balance June 30, 2009	<u><u>\$ 51,045</u></u>

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

**RACHEL FULLER, COURT CLERK  
COAL COUNTY, OKLAHOMA  
COURT CLERK REVOLVING FUND REPORT  
JUNE 30, 2009**

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Collections:	
Court fund revolving fees	\$ 17,780
Total collections	<u>17,780</u>
Deductions:	
Court clerk revolving fund disbursements	<u>15,503</u>
Total deductions	<u>15,503</u>
Collections over (under) deductions	2,277
Beginning account balance July 1, 2008	<u>31,854</u>
Ending account balance June 30, 2009	<u><u>\$ 34,131</u></u>

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

## **SCHEDULE OF FINDINGS AND RESPONSES**

### **Finding 2009-1 – 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 the following concerns in regards to recording, authorization, custody, and execution of revenue transactions performed by a single employee:

- All employees write receipts.
- All employees work from the same cash drawer.
- All deputies, in addition to receiving and issuing receipts, also issue permits, post daily receipts to the cash book, and post payments to accounts.
- One deputy, in addition to receiving and issuing receipts, balances the cash drawer to receipts, prepares the deposit tickets, and takes the deposit to the Treasurer.
- The Court Clerk, in addition to receiving and issuing receipts, opens the mail, issues permits, reconciles account balances to the Treasurer, and approves write offs.

We noted the following concerns in regards to recording, authorization, custody, and execution of expenditure transactions having the opportunity to be performed by a single employee:

- The Court Clerk calculates amounts vouchered to other funds or agencies, reviews amounts vouchered to other funds or agencies, prepares vouchers, signs vouchers, posts vouchers to the cash book, mails and/or distributes vouchers, authorizes purchases, prepares claims, certifies receipt of goods or services, and approves 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 employees' daily receipts, and be approved by someone independent of the cash drawer. Regarding the disbursement process, the duties of issuing vouchers and the delivery/disbursement of vouchers should be separated. Also, requisitioning and receiving duties regarding Court Fund disbursements should be separated.

Views of responsible officials and planned corrective actions: This recommendation does not sound possible. We have a cash register. It would be expensive to buy one for each deputy. It doesn't seem possible to not do all these tasks when we only have four employees in the office.

OSAI Response: Our recommendation should not be misunderstood as suggesting that separate cash registers be purchased. However, multiple employees should not be working from the same cash drawer at the same time, as this increases the opportunity to commit and conceal fraud. Regarding the segregation of other duties, the Court Clerk's office might consider rotating duties between employees as an effort to mitigate the risk.

**Finding 2009-2 – Deposits (Repeat Finding)**

Criteria: Title 19 O.S. § 682 states in part:

It shall be the duty of each and every county officer, county board, county commission and all members and employees of either thereof, to deposit daily in the official depository designated in Section 681 of this title, all monies, checks, drafts, orders, vouchers, funds, rentals, penalties, costs, proceeds of sale of property, fees, fines, forfeitures and public charges of every kind received or collected by virtue or under color of office...

Condition: The Court Clerk was holding Cashier's Checks/Money Orders in her cash drawer because she did not know which cases the money belonged to. The Cashier's Checks total \$1,766.30.

Effect: This condition could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends that the Court Clerk investigate the monies held to determine which cases they should be applied to and that all monies collected under the color of office be deposited daily.

Views of responsible officials and planned corrective actions: This condition has since been resolved; these monies have been deposited into a "no-file" case. I will make sure that all monies collected are deposited daily. If any monies are received without a citation number to identify what case the monies belonged in, a no-file case would be made to hold the monies.

**Finding 2009-3 – Revolving Fund Expenditures (Repeat Finding)**

Criteria: Title 19 O.S. § 220.A states in part:

Beginning July 1, 1991, there is hereby created with the county treasurer of each county within this state a revolving fund to be designated the "Court Clerk's Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received as grants from the federal government and any other

monies designated by law for deposit into the fund. All monies accruing to the credit of the fund are hereby appropriated and shall be expended by the court clerk for the lawful operation of the court clerk's office. Claims against the fund shall include only expenses incurred for the operation of the court clerk's office in each county, and payment may be made after the claim is approved by the court clerk and either the district or the associate district judge of the county. The monies shall be reported quarterly to the Administrator of the Courts.

Condition: Court Clerk Revolving Fund expenditures are not being issued in compliance with 19 O.S. §220.A. Revolving Fund expenditures are being issued on purchase orders, which are being signed and authorized by the Board of County Commissioners rather than the officers of the court.

Effect: Failure to follow statutorily required procedures could result in inappropriate expenditures that are not for the lawful operation of the Court Clerk's office.

Recommendation: OSAI recommends that Revolving Fund expenditures be issued on vouchers, with supporting claims authorized by the Court officials.

Views of responsible officials and planned corrective actions: I was informed that I should have a file with claims that myself and a judge approve. I have, since being told, made such a folder. I am in the process of setting up a cash voucher account for the Court Clerk Revolving Fund.

**Finding 2009-4 – Court Fund Vouchers (Repeat Finding)**

Criteria: Effective accounting procedures are necessary to ensure stewardship and accountability of public funds. An important aspect of effective accounting procedures includes maintaining supporting documentation for expenditures and ensuring claims are paid in a timely manner.

Condition: During our test of Court Fund vouchers and claims, we noted that 7 of the 25 claims tested did not have an invoice or supporting documentation.

Effect: This condition could result in undetected errors or misappropriation of funds.

Recommendation: OSAI recommends that supporting documentation be maintained for all claims. OSAI also recommends that all claims be paid in a timely manner.

Views of responsible officials and planned corrective actions: I will make sure that all claims have supporting documentation attached.

**Finding 2009-5 – Cancelled Vouchers and Reconciliations (Repeat Finding)**

Criteria: Effective internal controls include the Court Clerk's reconciliation of office ledgers with the County Treasurer at the end of each month as well as regular and timely communication with the County Treasurer regarding cancelled vouchers.

Condition: Of the 50 cancelled vouchers tested, we noted 1 voucher was cancelled by the Court Clerk, but shown as paid by the Treasurer.

Effect: This condition could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

Recommendation: OSAI recommends that the Court Clerk reconcile the Court Fund and District Court accounts with the County Treasurer's ledger at the end of each month and communicate on a regular and timely basis with the County Treasurer regarding cancelled vouchers.

Views of responsible officials and planned corrective actions: I do reconcile with the County Treasurer each month. I file such proof with the County Clerk.

OSAI Response: While the Court Clerk does reconcile in total, we noted discrepancies regarding cancelled vouchers. The Court Clerk should communicate on a regular and timely basis with the County Treasurer regarding cancelled vouchers.



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