

OPERATIONAL AUDIT

OKLAHOMA COURT OF CRIMINAL APPEALS

January 1, 2008 through September 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

**Audit Report of the
Oklahoma Court of
Criminal Appeals**

**For the Period
January 1, 2008 through September 30, 2010**



Oklahoma State Auditor & Inspector

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April 1, 2011

**TO THE PRESIDING JUDGE OF THE
OKLAHOMA COURT OF CRIMINAL APPEALS**

This is the audit report of the Oklahoma Court of Criminal Appeals for the period January 1, 2008 through September 30, 2010. The Office of the State Auditor and Inspector is committed to serving the public interest by providing independent oversight and by issuing reports that serve as a management tool to the State. Our goal is to ensure a government that is accountable to the people of the State of Oklahoma.

We wish to take this opportunity to express our appreciation to the agency's staff for the assistance and cooperation extended to our office during the course of our engagement.

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones". The signature is fluid and cursive, with the first name "Gary" being the most prominent.

Gary A. Jones, CPA, CFE
Oklahoma State Auditor and Inspector

**Oklahoma Court of
Criminal Appeals
Operational Audit**

Background

The Oklahoma Court of Criminal Appeals (Agency) is the highest court in the State of Oklahoma with appellate jurisdiction in criminal cases. It is the state court of last resort in criminal matters. The Agency derives its origin and jurisdiction from the state constitution, which was formulated by the constitutional convention and submitted to and adopted by the people of Oklahoma at the first election, held on September 17, 1907. The Agency is governed by 20 O.S. § 31 through 56.

The judges of the Agency are:

The Honorable Arlene Johnson Presiding Judge¹
 The Honorable David B. Lewis Judge
 The Honorable Charles S. Chapel..... Judge
 The Honorable Charles A. Johnson Judge
 The Honorable Gary L. Lumpkin Judge

Table 1 summarizes the Agency’s sources and uses of funds for fiscal years 2009 and 2010 (July 1, 2008 through June 30, 2010).

Table 1 - Sources and Uses of Funds for FY 2009 and FY 2010

	2010	2009
Sources:		
State appropriations	\$ 3,051,473	\$ 3,469,833
Total Sources	\$ 3,051,473	\$ 3,469,833
Uses:		
Personnel Services	\$ 3,276,199	\$ 3,403,377
Professional Services	2,850	3,547
Travel - Reimbursements	7,580	15,531
Miscellaneous Administrative	18,079	25,427
Rent	7,567	13,768
General Operating	8,050	10,774
Library Equipment - Resources	14,769	30,249
Other	2,477	7,623
Total Uses	\$ 3,337,571	\$ 3,510,296

Source: Oklahoma PeopleSoft Accounting System (unaudited - for informational purposes only)

**Purpose, Scope, and
Sample Methodology**

This audit was conducted in response to 74 O.S. § 212, which requires the State Auditor and Inspector’s Office to audit the books and accounts of state officers whose duty it is to collect, disburse or manage funds of the state.

The audit period covered was January 1, 2008 through September 30, 2010.

We selected our samples in such a way that whenever possible, the samples are representative of the populations and provide sufficient evidential matter. Sample

¹ Judge Gary Lumpkin was the presiding judge during the audit period through January 2009. After that point, Judge Charles Johnson assumed this position until January 2011.

methodologies can vary and are selected based on the audit objective and whether the total population of data was available. Random sampling is the preferred method; however, we may also use haphazard sampling (a methodology that produces a representative selection for non-statistical sampling), or judgmental selection when data limitation prevents the use of the other two methods. We identified specific attributes for testing each of the samples. When appropriate, we projected our results to that population.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This report is a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.), and shall be open to any person for inspection and copying.

Objective 1 – Determine whether the Agency’s internal controls provide reasonable assurance that payroll expenditures were accurately reported in the accounting records.

Conclusion The Agency’s internal controls provide reasonable assurance that payroll expenditures were accurately reported in the accounting records.

Methodology To accomplish our objective, we performed the following:

- Documented internal controls related to the payroll expenditure process which included discussions with Agency personnel, observation, and review of documents;
- Tested controls which included:
 - Reviewing nine randomly selected months’ payroll claims² ensuring they were properly approved;
 - Reviewing the supporting documentation for 12 (ten randomly selected and two judgmentally selected) payroll changes that occurred during our audit period ensuring they were properly reflected in the payroll system; and
 - Reviewing the supporting documentation for four randomly selected separations that occurred during our audit period ensuring employees were removed from the payroll system in a timely manner.

There were no exceptions noted as a result of these procedures.

² Five employees from each claim were haphazardly selected and we ensured the employee’s timesheet was signed by them and a supervisor.

Objective 2 – Determine whether the Agency complied with 20 O.S. § 31.2.

Conclusion Financial operations complied with 20 O.S. 31.2³ (limitations on judges salaries).

Methodology To accomplish our objective, we performed the following:

- Reviewed payroll information in the PeopleSoft accounting system to ensure the judges’ annual salaries did not exceed the maximum limit set forth in 20 O.S. § 31.2. during the audit period.

There were no exceptions noted as a result of these procedures.

Other Items Noted

Although not considered significant to the audit objectives, we feel the following issue should be communicated.

Observation **Use of Shared Leave Not in Compliance with State Law**

74 O.S. § 840-2.23 E. and K. state in part, “An employee may donate annual or sick leave to another employee provided the donation does not cause the annual leave balance of the employee to fall below eighty (80) hours and provided the donation does not cause the sick leave balance of the employee to fall below eighty (80) hours...All forms of paid leave available for use by the recipient must be used prior to using donated leave.”

An employee of the Agency was terminally ill in the fall of 2009. Employees in the Agency donated 716 hours of sick leave to him during this period. Given the circumstances, management did not require the employee to exhaust all forms of paid leave prior to using the donated leave. This resulted in a January 2010 payment of approximately \$7,000 to the employee’s heirs. The Agency is not in compliance with 74 O.S. § 840-2.23 K.

Recommendation When leave is being donated to an employee, we recommend the Agency comply with 74 O.S. § 840-2.23 K.

Views of Responsible Officials

We duly note the recommendation of the auditor concerning the problem created by our distribution of leave to a terminally ill employee. Should such an extraordinary circumstance reoccur, we will create a response that is both humane and in compliance with all applicable standards.

³ This statute states, “Except as otherwise provided by the Board on Judicial Compensation, the following judicial officers shall receive compensation for their services, payable monthly as follows: 1. The Presiding Judge of the Court of Criminal Appeals shall receive an annual salary of One Hundred Seventeen Thousand Five Hundred Seventy-one Dollars (\$117,571); and 2. A Judge of the Court of Criminal Appeals shall receive an annual salary of One Hundred Thirteen Thousand Five Hundred Seventy-one Dollars (\$113,571).” As allowed by this law, the Board on Judicial Compensation issued a report in November 2005 and again in October 2007(effective July 2008) modifying the salaries identified in the statute. Maximum salaries allowed during the audit period were: January 2008 through June 2008 – Presiding Judge - \$135,700 and Judge - \$131,100; July 2008 through September 2010 – Presiding Judge - \$142,485 and Judge - \$137,655.



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