

# HUGHES COUNTY COURT CLERK

FOR THE YEAR ENDED  
JUNE 30, 2008

# STATUTORY REPORT



Oklahoma State Auditor  
& Inspector

**SANDY MOSS, COURT CLERK  
HUGHES COUNTY, OKLAHOMA  
STATUTORY REPORT  
FOR THE YEAR ENDED JUNE 30, 2008**

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# STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA  
State Auditor

MICHELLE R. DAY, ESQ.  
Chief Deputy



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June 12, 2009

Sandy Moss, Court Clerk  
Hughes County Courthouse  
Holdenville, Oklahoma 74848

Transmitted herewith is the statutory report for the Hughes County Court Clerk for the fiscal year ended June 30, 2008. 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

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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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Sandy Moss, Court Clerk  
Hughes County Courthouse  
Holdenville, Oklahoma 74848

Dear Ms. Moss:

We have performed procedures for fiscal year 2008 activity of the Court Fund Account for the purpose of complying with 20 O.S. § 1312. We have also performed procedures for fiscal year 2008 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 Hughes 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; District Court vouchers were properly accounted for and issued in accordance with Court instructions; Court Fund activity and District Court case balances reconciled with the County Treasurer's records. With respect to the matter of segregation of duties, Court Clerk Revolving Fund expenditures being properly supported and approved, and Court Clerk Revolving Fund financial records reconciling with the County Treasurer's records, our findings are included in the 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 Hughes 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

June 10, 2009

**SANDY MOSS, COURT CLERK  
HUGHES COUNTY, OKLAHOMA  
COURT FUND ACCOUNT ANALYSIS  
JUNE 30, 2008**

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Collections:

Court fund fines, fees, and forfeitures	\$ 252,073
Interest earned on deposits	154
Cancelled vouchers	233
Total collections	<u>252,460</u>

Deductions:

Lump sum budget categories:

Juror expenses	12,533
Trial court attorneys	22,934
Transcripts - preliminary and trial	2,837
General office supplies	5,574
Forms printing	149
Postage and freight	4,000
Court reporter supplies	372
Gas, water, and electricity	6,050
General telephone expenses	2,573
Long-distance telephone expense	259
Other expenses	1,078
Total lump sum categories	<u>58,359</u>

Restricted budget categories:

Furniture and fixtures	43
Equipment rental	882
Maintenance of equipment	9,625
OCIS services	15,862
Photocopy equipment rental	2,662
Photocopy equipment maintenance	706
Part-time bailiffs	241
Part-time court employees	90,785
Total restricted categories	<u>120,806</u>



**SANDY MOSS, COURT CLERK  
HUGHES COUNTY, OKLAHOMA  
COURT FUND ACCOUNT ANALYSIS  
JUNE 30, 2008**

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Mandated budget categories:	
Law library	7,000
State judicial fund	<u>59,628</u>
Total mandated categories	<u>66,628</u>
Total deductions	<u>245,793</u>
Collections over (under) deductions	6,667
Beginning account balance July 1, 2007	<u>34,008</u>
Ending account balance June 30, 2008	<u><u>\$ 40,675</u></u>

**SANDY MOSS, COURT CLERK  
HUGHES COUNTY, OKLAHOMA  
COURT CLERK REVOLVING FUND ANALYSIS  
JUNE 30, 2008**

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Collections:	
Court fund revolving fees	\$ 9,507
Total collections	<u>9,507</u>
Deduction:	
Court clerk revolving fund disbursements	<u>9,093</u>
Total deductions	<u>9,093</u>
Collections over (under) deductions	414
Beginning account balance July 1, 2007	<u>46,039</u>
Ending account balance June 30, 2008	<u><u>\$ 46,453</u></u>

**SANDY MOSS, COURT CLERK  
HUGHES COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2008**

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**Finding 2008-1—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 testwork performed, it was noted that receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization within the Court Clerk's office were not properly segregated to assure adequate internal control structure.

Effect: This condition 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 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.

Views of responsible officials and planned corrective actions: "In reply to the segregation of duties, I realize that there is a problem with that area because of the number of deputies in this office. However, I do try to be aware and watchful of the office operations and segregate the duties as much as possible."

**Finding 2008-2 — Revolving Fund Reconciliation**

Criteria: Safeguarding controls are an aspect of internal controls. Safeguarding controls relate to the prevention or timely detection of unauthorized transactions and unauthorized access to assets. Failures to perform tasks that are part of internal controls such as reconciliations not prepared or not timely prepared are deficiencies in internal control. Further, account reconciliations should be performed on a monthly basis.

Condition: An unidentified variance of \$36.00 was discovered between the Court Clerk's Revolving Fund and the County Treasurer's general ledger.

Effect: This condition could result in undetected errors, inaccurate records, or incomplete information.

Recommendation: OSAI recommends that the Court Clerk perform timely reconciliations of the Court Clerk Revolving Fund to the County Treasurer's general ledger.

Views of responsible officials and planned corrective actions: "As to the \$36 discrepancy on our Revolving Fund balance against the County Treasurer's balance, I am working on resolving where the difference may be. I will try to do this as quickly as possible and be careful to balance with him at the end of each month."

**SANDY MOSS, COURT CLERK  
HUGHES COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2008**

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**Finding 2008-3 — Revolving Fund Warrants and Claims**

Criteria: Title 19 § 220.A states, “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 that county. The monies shall be reported quarterly to the Administrator of the Courts. The necessary forms and procedures shall be developed and implemented by the State Auditor and Inspector.”

Condition: During the test of twenty (20) revolving fund warrants/claims, the following was noted:

- Two claims did not have approval by the majority of the board.
- Two claims did not have the claimant's signature.
- One claim did not have an invoice or supporting documentation.
- One claim did not have a signature for goods and services received.
- Two warrants were issued without claims.

Effect: This condition could result in undetected errors, inaccurate records, or incomplete information.

Recommendation: OSAI recommends that more emphasis be placed on having all claims approved by the majority of the board, signed for goods and services rendered, signed by the claimant, and have an original invoice or supporting documentation. In addition, OSAI recommends that claims be prepared and approved for all expenditures.

Views of responsible officials and planned corrective actions: “As to the revolving fund findings, I have located the two claims which did not have the approval by the majority of the board, and have had our Associate District Judge sign those two claims. This was an oversight, and I will be careful to avoid that happening in the future. As to the two claims that did not have the claimant's signature, those were claims that were paid to the Oklahoma Employment Security Commission, and we were unable to get signatures for those. In the future, I will be sure to note on the claim that the signature could not be obtained. As to the claim that did not have an invoice or supporting documentation, I am obtaining from the County Clerk's office the documentation that shows that this claim was for Personal Services, showing the person it was made payable to, along with the amount paid and the taxes withheld. This was an oversight, and I will attach the documentation to the claim. As to the claim that did not have a signature for goods and services received, I have located that claim and signed in the appropriate place. This was an oversight. The two warrants that were issued without claims were to the Oklahoma Employment Security Commission, which the County Clerk pays quarterly. I am not sure if I was aware of the payment being made on those particular items, but I have now determined which payments were made without a claim and have completed a claim form and it is signed by myself and the Associate District Judge.”



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