

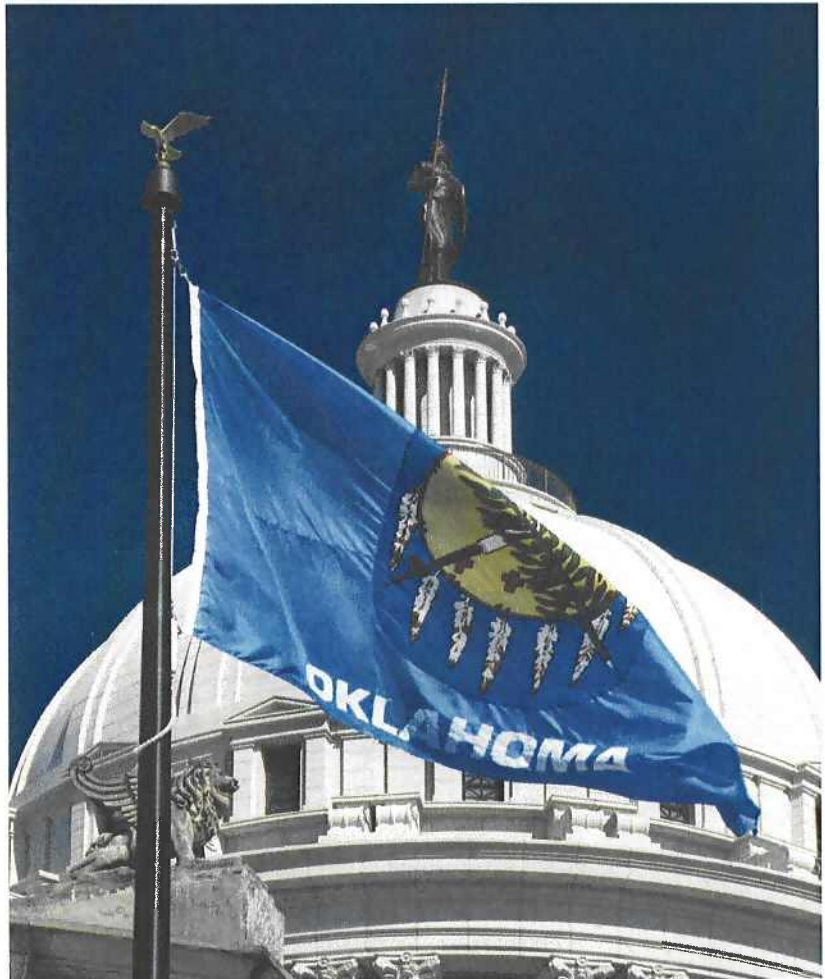


STATE OF OKLAHOMA
OFFICE OF THE STATE AUDITOR & INSPECTOR

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**INDIGENT DEFENSE
SYSTEM**

JULY 1, 2003 THROUGH JUNE 30, 2004



JEFF A. McMAHAN, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

Indigent Defense System
Statutory Examination Report
For the Period July 1, 2003 to June 30, 2004

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

May 27, 2005

TO THE BOARD OF DIRECTORS OF THE INDIGENT DEFENSE SYSTEM

Transmitted herewith is the Statutory Examination Report for the Oklahoma Indigent Defense System. The procedures we performed were conducted pursuant to 74 O.S. §212.

The Office of the State Auditor and Inspector is committed to serve 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 "Jeff A. McMAHAN".

JEFF A. McMAHAN
State Auditor and Inspector

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Background

The Oklahoma Indigent Defense System implements the Indigent Defense Act by providing trial, appellate and post-conviction criminal defense services to persons who have been judicially determined to be entitled to legal counsel at State expense. The mission of the System is to provide indigents with legal representation comparable to that obtainable by those who can afford counsel and to do so in the most cost effective manner possible.

The Oklahoma Indigent Defense System is appointed by the courts to represent all adult and juvenile indigents in 75 counties who are charged in felony, misdemeanor, and traffic cases punishable by incarceration. The System is appointed by the courts to represent all adult and juvenile indigents in 75 counties where the State is seeking the death penalty. The agency continues to represent those court appointments made prior to July 1, 2003, in the remaining two counties where the county public defenders had a conflict of interest in a death penalty case. Upon conviction, the System is appointed by the courts to represent defendants on direct appeal to the Oklahoma Court of Criminal Appeals and, in death penalty cases, in post-conviction proceedings before the Oklahoma Court of Criminal Appeals. The System is responsible for capital and noncapital direct appeals from judgments and sentences, including death sentences, imposed in 75 counties and in the remaining two counties if the indigent appellant was represented at trial by retained counsel or by court-appointed counsel other than the county public defender or where the county defender has a conflict of interest on appeal. The System is responsible for all capital post-conviction appeals in the State, including those where the indigent appellant was represented by a county defender on direct appeal.

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

TO THE BOARD OF DIRECTORS OF THE INDIGENT DEFENSE SYSTEM

For the purpose of complying with 74 O.S. § 212, we have performed the following procedures for the fiscal year 2004:

1. We reviewed internal controls over cash, receipts, and disbursements.
2. We tested a sample of deposits to determine they were properly posted to the financial records and had adequate supporting documentation.
3. We tested a sample of disbursements to determine they were properly posted to the financial records and had adequate supporting documentation.
4. We performed analytical procedures to test the reasonableness of payroll disbursements.

We also prepared a Schedule of Receipts, Disbursements and Changes in Cash from information obtained from the statewide CORE accounting system. This schedule has been included for informational purposes only.

Our procedures were limited to those defined above and were less in scope than would be necessary to express an opinion on any of the items referred to above or to express an opinion on the effectiveness of the Indigent Defense System's internal control or any part thereof. Accordingly, we do not express such opinions. Alternatively, we have identified the procedures we performed and the finding resulting from those procedures.

Sincerely,

JEFF A. McMAHAN
State Auditor and Inspector

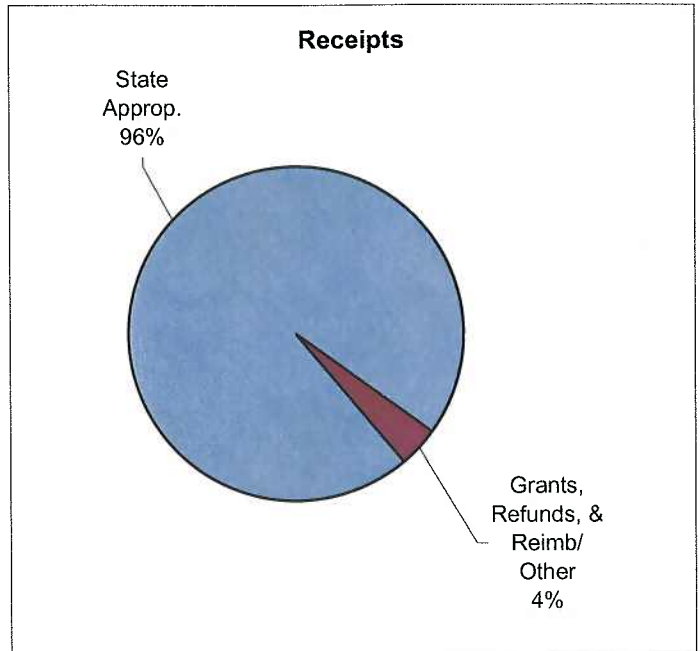
May 10, 2005

INDIGENT DEFENSE SYSTEM

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH FOR THE YEAR ENDED JUNE 30, 2004

RECEIPTS:

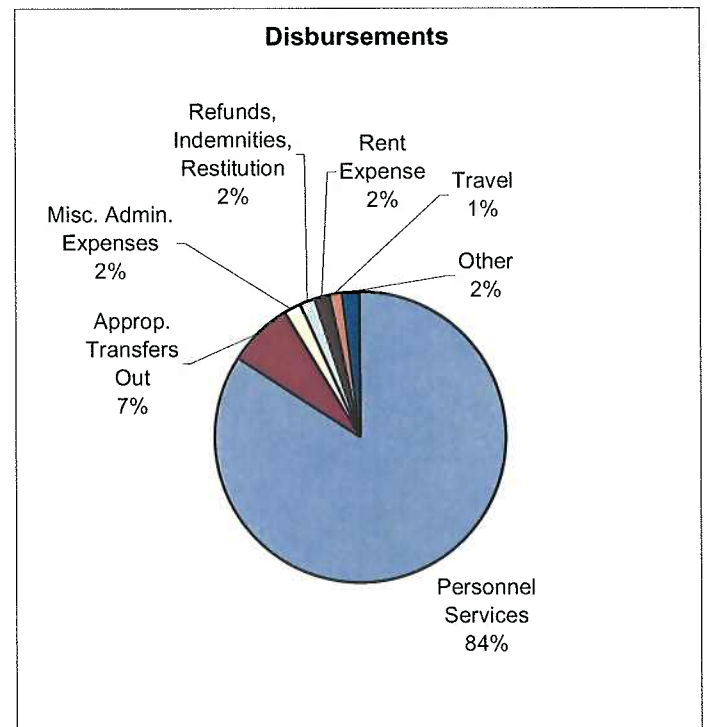
State Appropriations	15,541,287
Grants, Refunds, & Reimb	563,015
Other	<u>2,723</u>
Total Receipts	<u>16,107,025</u>



DISBURSEMENTS:

Personnel Services	13,373,308
Appropriated Transfers Out	1,123,308
Misc. Admin. Expenses	305,671
Refunds, Indemnities, Restitution	276,416
Rent Expense	263,347
Travel	217,668
Inter/Intra Agency Pmts - Admin	74,689
Office Furniture and Equipment	67,445
Library Equipment - Resources	45,622
Maintenance and Repair Expense	36,887
General Operating Expenses	25,603
Inter/Intra Agency Pmts - P&E&D	18,783
Other	<u>2,216</u>

Total Disbursements 15,830,963



RECEIPTS OVER (UNDER)

DISBURSEMENTS 276,062

CASH - Beginning of year 2,946,304

CASH - End of year 3,222,366

Findings/Recommendations

Finding #1

Title 22 § 1355.14 states in part “the court shall order any person represented by an attorney employed by or contracted with OIDS to pay the costs for representation ...” “cost shall be collected by the court clerk and when collected, paid monthly to the OIDS for deposit to the Indigent Defense System Revolving Fund.” Based on discussion with management, it appears that the Oklahoma Indigent Defense System (OIDS) depends on the county court clerks to remit the appropriate amounts collected. The county court clerks do not report to OIDS what fees, if any, have been assessed for representation and therefore, OIDS has no way of setting up or tracking receivable balances. Without setting up or tracking receivable balances, OIDS may not be receiving the total amount due the agency. We recommend the agency continue to work with the county court clerks to develop a system of reporting costs assessed to defendants and collections made by the county court clerks.

Management’s Response:

OIDS has participated in the Oklahoma Bar Association’s Access to Justice Criminal Law Subcommittee meetings, chaired by Oklahoma Court of Criminal Appeals Judge Gary Lumpkin. One of the Subcommittee’s main projects has been to address the need for implementation of a uniform system to track all fine, fee and cost collection and disbursement data throughout the state in order to improve the administration of justice. The full Committee has made recommendations regarding implementing such a uniform state-wide system to be forwarded to the newly-formed Oklahoma Access to Justice Commission, created by the Oklahoma Supreme Court, for further consideration.

OIDS does not have the power, authority or resources to set up a separate system with the district court clerks to track OIDS receivable balances. Routine audit procedures performed by the State Auditor and Inspector’s Office in annual audits of the district court clerk offices could determine if all collected representation costs are being forwarded to OIDS.

Other Information

Clearing Account

Oklahoma Indigent Defense System maintains a clearing account to deposit revenues collected on a daily basis. All items deposited into the clearing account are held there until such items have been honored by the paying entity. Once these items have been honored, the revenues are transferred for deposit into the agency's operating fund(s). The agency's clearing account had a cash balance of \$121.14 at June 30, 2004. As of this date, this amount had not yet been deposited into the agency's operating fund(s) and is not considered to be available to fund the agency's general operations. As a result, the clearing account's cash balance, revenues, and disbursements are not included in the accompanying Schedule of Receipts, Disbursements, and Changes in Cash Balance.

OFFICE OF THE STATE AUDITOR & INSPECTOR
2300 NORTH LINCOLN BOULEVARD, ROOM 100
OKLAHOMA CITY, OKLAHOMA 73105-4896
405-521-3495

WWW.SALSTATE.OK.US