

**LeFLORE  
COUNTY  
COURT CLERK**

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

**STATUTORY  
REPORT**



Oklahoma State Auditor  
& Inspector

**MELBA HALL, COURT CLERK  
LeFLORE 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



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

October 11, 2010

Melba Hall, Court Clerk  
LeFlore County Courthouse  
Poteau, Oklahoma 74953

Transmitted herewith is the statutory report for the LeFlore 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

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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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Melba Hall, Court Clerk  
LeFlore County Courthouse  
Poteau, Oklahoma 74953

Dear Ms. Hall:

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 LeFlore County.

Based on the above reconciliations, tests, and procedures performed, with respect to the items tested, 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; Court Clerk Revolving Fund expenditures were properly supported and approved; District Court vouchers were properly accounted for and issued in accordance with Court instructions; Court Fund activity, Court Clerk Revolving Fund activity, and District Court case balances reconciled with the County Treasurer's records. However, we noted a matter of segregation of duties, and our finding is presented in the accompanying schedule of findings and responses.

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

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

**MELBA HALL, COURT CLERK  
LeFLORE COUNTY, OKLAHOMA  
COURT FUND ACCOUNT REPORT  
JUNE 30, 2009**

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Collections:	
Court fund fines, fees, and forfeitures	\$ 1,105,565
Interest earned on deposits	1,632
Cancelled vouchers	296
Total collections	<u>1,107,493</u>

Deductions:	
Lump sum budget categories:	
Juror expenses	20,476
Trial court attorneys	13,604
Guardian ad litem fees	2,250
Transcripts - preliminary and trial	2,373
Transcripts - appeals	9,622
General office supplies	10,938
Forms printing	3,681
Publications	749
Books for records, indexes	320
Postage and freight	20,000
Court reporter supplies	837
Gas, water, and electricity	39,321
General telephone expenses	13,781
Other expenses	4,817
Total lump sum categories	<u>142,769</u>

Restricted budget categories:	
Furniture and fixtures	2,931
Equipment purchases	4,000
Equipment rentals	4,864
Maintenance of equipment	28,160
OCIS services	37,521
Photocopy equipment rental	5,703
Part-time bailiffs	772
Part-time court employees	167,123
Total restricted categories	<u>251,074</u>



**MELBA HALL, COURT CLERK  
LeFLORE COUNTY, OKLAHOMA  
COURT FUND ACCOUNT REPORT  
JUNE 30, 2009**

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Mandated budget categories:	
Law library	9,000
State judicial fund	<u>725,006</u>
Total mandated categories	<u>734,006</u>
Total deductions	<u>1,127,849</u>
Collections over (under) deductions	(20,356)
Beginning account balance July 1, 2008	<u>191,076</u>
Ending account balance June 30, 2009	<u><u>\$ 170,720</u></u>

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

**MELBA HALL, COURT CLERK  
LeFLORE COUNTY, OKLAHOMA  
COURT CLERK REVOLVING FUND REPORT  
JUNE 30, 2009**

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Collections:	
Court fund revolving fees	\$ 52,643
Total collections	<u>52,643</u>
Deductions:	
Court clerk revolving fund disbursements	<u>101,402</u>
Total deductions	<u>101,402</u>
Collections over (under) deductions	(48,759)
Beginning account balance July 1, 2008	<u>252,388</u>
Ending account balance June 30, 2009	<u>\$ 203,629</u>

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

**MELBA HALL, COURT CLERK  
LeFLORE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2009**

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**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 instances in which a single person could be responsible for recording, authorization, custody, and execution of revenue transactions. The following concerns were noted:

- There are twelve full-time employees in the Court Clerk's office, including the Court Clerk. All employees work out of the same cash drawer.
- One deputy balances the cash drawer, prepares official depository tickets, takes the deposit to the Treasurer, posts daily receipts to the cash book, and reconciles the account balance with the Treasurer.

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 employee's daily receipts, and be approved by someone independent of the cash drawer.

Views of responsible officials and planned corrective actions: In an effort to ensure a more effective means of accountability of funds received through the Court Clerk's office, the following plan has been put into place:

1. Two deputies open the daily payments and log any and all payments prior to distributing to other clerks for processing. Once the deposit is prepared, a copy of the deposit is given to the Court Clerk or 1<sup>st</sup> Deputy who checks the payment log against the deposit to make sure all payments received through the mail are accounted for and that the payment was receipted for the proper amount.
2. Each week 3 employees are assigned to work at the front counter for that week. These 3 are authorized to accept payments and make receipts. The beginning of the next week it will be 3 different employees who are authorized to accept payments. The cash drawer will be closed out and reconciled to the daily receipts by the bookkeeper and one other employee, both who are independent of the cash drawer for that week.

**MELBA HALL, COURT CLERK  
LeFLORE COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2009**

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3. The bookkeeper will prepare the deposit. Once balanced, the deposit is placed in a secure location and removed the following business day and is taken to the Treasurer's office by two employees.
4. At no time will an employee who receipts money also be permitted to prepare and issue a voucher from that particular case.
5. The bookkeeper and the Court Clerk or First Deputy will reconcile the account balance with the Treasurer.



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