

# MARSHALL COUNTY COURT CLERK

FOR THE PERIOD JULY 1, 2007  
THROUGH JUNE 30, 2009

# STATUTORY REPORT



Oklahoma State Auditor  
& Inspector

**WANDA PEARCE, COURT CLERK  
MARSHALL COUNTY, OKLAHOMA  
STATUTORY REPORT  
FOR THE PERIOD JULY 1, 2007 THROUGH 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

December 13, 2010

Wanda Pearce, Court Clerk  
Marshall County Courthouse  
Madill, Oklahoma 73446

Transmitted herewith is the statutory report for the Marshall County Court Clerk for the period July 1, 2007 through 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

**WANDA PEARCE, COURT CLERK  
MARSHALL COUNTY, OKLAHOMA  
STATUTORY REPORT  
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2009**

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**WANDA PEARCE, COURT CLERK  
MARSHALL COUNTY, OKLAHOMA  
STATUTORY REPORT  
FOR THE PERIOD JULY 1, 2007 THROUGH 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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Wanda Pearce, Court Clerk  
Marshall County Courthouse  
Madill, Oklahoma 73446

Dear Ms. Pearce:

We have performed procedures for the period July 1, 2007 through June 30, 2009, activity of the Court Fund Account for the purpose of complying with 20 O.S. § 1312. We have also performed procedures for the period July 1, 2007 through June 30, 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 Marshall County.

Based on the above reconciliations, tests, and procedures performed, and with respect to items tested, the Court Clerk was collecting the correct fees and properly accounting for them; however, with respect to the matter of segregation of duties, our finding is presented in the accompanying schedule of findings and responses. Court Fund vouchers were properly supported, approved, classified, and did not exceed appropriations; Court Clerk Revolving Fund expenditures were properly supported; 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. With respect to Court Clerk Revolving Fund expenditures being properly approved, and reconciliations of District Court case balances, our findings are presented in the schedule of findings and responses.

We have included in this report the Court Fund Account Reports prepared from the Marshall 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 Reports prepared by the Marshall County Court Clerk, which were submitted to the Administrative Office of the Courts.

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

October 21, 2010

**WANDA PEARCE, COURT CLERK  
MARSHALL COUNTY, OKLAHOMA  
COURT FUND ACCOUNT REPORT  
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2008**

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Collections:

Court fund fines, fees, and forfeitures	\$ 555,616
Cancelled vouchers	870
Interest earned on deposits	1,108
Total collections	<u>557,594</u>

Deductions:

Lump sum budget categories:

Juror expenses	13,965
Trial court attorneys	4,326
Mental health attorneys	1,610
Guardian ad litem fees	10,593
Transcripts preliminary	249
Transcripts appeals	1,123
General office supplies	4,892
Forms printing	1,908
Publications	111
Postage and freight	4,040
Court reporter supplies	1,138
Gas, water, and electricity	10,000
General telephone expenses	3,476
Long-distance telephone expense	1,074
Other expenses	431
Total lump sum categories	<u>58,936</u>

Restricted budget categories:

Maintenance of court area(s)	4,353
Equipment purchases	2,026
Equipment rentals	440
Maintenance of equipment	11,645
OCIS services	21,938
Photocopy equipment rental	9,400
Photocopy equipment maintenance	2,252
Part-time bailiffs	8,442
Part-time court employees	110,235
Total restricted categories	<u>170,731</u>

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



**WANDA PEARCE, COURT CLERK  
MARSHALL COUNTY, OKLAHOMA  
COURT FUND ACCOUNT REPORT  
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2008**

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Mandated budget categories:	
Law library	7,000
State judicial fund	300,710
Total mandated categories	<u>307,710</u>
Total deductions	<u>537,377</u>
Collections over (under) deductions	20,217
Beginning account balance July 1, 2007	<u>62,414</u>
Ending account balance June 30, 2008	<u><u>\$ 82,631</u></u>

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

**WANDA PEARCE, COURT CLERK  
MARSHALL COUNTY, OKLAHOMA  
COURT FUND ACCOUNT REPORT  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

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Collections:

Court fund fines, fees, and forfeitures	\$ 536,229
Cancelled vouchers	487
Interest earned on deposits	325
Total collections	<u>537,041</u>

Deductions:

Lump sum budget categories:

Juror expenses	7,723
Trial court attorneys	4,559
Mental health attorneys	1,400
Guardian ad litem fees	12,864
Transcripts preliminary	765
Transcripts appeals	1,204
General office supplies	8,037
Forms printing	407
Publications	132
Books for records and indexes	14,221
Postage and freight	5,000
Court reporter supplies	2,044
Gas, water, and electricity	10,200
General telephone expenses	3,928
Long-distance telephone expense	1,389
Other expenses	319
Total lump sum categories	<u>74,192</u>

Restricted budget categories:

Maintenance of court area(s)	5,523
Equipment purchases	300
Equipment rentals	832
Maintenance of equipment	13,160
OCIS services	21,938
Photocopy equipment maintenance	2,602
Part-time bailiffs	8,369
Per diem court reporter	3,567
Part-time court employees	117,872
Total restricted categories	<u>174,163</u>

**WANDA PEARCE, COURT CLERK  
MARSHALL COUNTY, OKLAHOMA  
COURT FUND ACCOUNT REPORT  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

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Mandated budget categories:	
Law library	7,000
State judicial fund	<u>333,292</u>
Total mandated categories	<u>340,292</u>
Total deductions	<u>588,647</u>
Collections over (under) deductions	(51,606)
Beginning account balance July 1, 2008	<u>82,631</u>
Ending account balance June 30, 2009	<u><u>\$ 31,025</u></u>

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

**WANDA PEARCE, COURT CLERK  
MARSHALL COUNTY, OKLAHOMA  
COURT CLERK REVOLVING FUND REPORT  
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2008**

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Collections:	
Court fund revolving fees	\$ 20,245
Total collections	<u>20,245</u>
Deductions:	
Court clerk revolving fund disbursements	<u>7,777</u>
Total deductions	<u>7,777</u>
Collections over (under) deductions	12,468
Beginning account balance July 1, 2007	<u>42,401</u>
Ending account balance June 30, 2008	<u>\$ 54,869</u>

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

**WANDA PEARCE, COURT CLERK  
MARSHALL COUNTY, OKLAHOMA  
COURT CLERK REVOLVING FUND REPORT  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

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Collections:	
Court fund revolving fees	\$ 21,684
Total collections	<u>21,684</u>
Deductions:	
Court clerk revolving fund disbursements	<u>7,657</u>
Total deductions	<u>7,657</u>
Collections over (under) deductions	14,027
Beginning account balance July 1, 2008	<u>54,869</u>
Ending account balance June 30, 2009	<u>\$ 68,896</u>

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

**WANDA PEARCE, COURT CLERK  
MARSHALL COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2009**

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**Finding 2008/2009-1 – 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 property, and record transactions.

Condition: We noted a concentration of duties in regards to recording, authorization, custody, and execution of revenue transactions performed by a single employee:

- All employees within the Court Clerk's office collect money and work out of the same cash drawer.

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: Each deputy who takes cash counts their money back to another deputy and show change given back. One deputy prepares the deposit while another adds the receipts. I feel that there is a policy in place in my office that reflects an audit control of my cash drawer.

OSAI Response: The procedures described by the Court Clerk in the response above are commendable and do serve to mitigate the risk to some degree. However, best practices require that no more than one employee work from the same cash drawer at any given point in time.

**Finding 2008/2009-2 – Revolving Fund Expenditures**

Criteria: Title 19 O.S. § 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

**WANDA PEARCE, COURT CLERK  
MARSHALL COUNTY, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2009**

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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: While reviewing the revolving fund claims, seven out of ten claims did not have majority approval by the Court Fund Board.

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

Recommendation: OSAI recommends the Court Clerk submit all claims to the Court Fund Board for proper approval.

Views of responsible officials and planned corrective actions: I now have myself and Judge Scaggs sign the Court Clerk claims, and it is a cash account so it is also approved by the Board of County Commissioners.

**Finding 2008-1 – Schedule of Cases Reconciliations**

Criteria: Effective internal controls include reconciling case loads to the cash summary report monthly.

Condition: It was noted that at June 30, 2008, the schedule of cases for misdemeanors was not reconciled to the cash summary report. The misdemeanor cash balance had a \$50.00 variance compared to the cash summary report.

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

Recommendation: OSAI recommends that the case balances are reconciled to the cash summary report at the end of each month.

Views of responsible officials and planned corrective actions: This variance was on an outstanding deposit and was reconciled on the next month's report.



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