

STATUTORY REPORT

McCLAIN COUNTY COURT CLERK

For the year ended June 30, 2009



*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

**LYNDA BAKER, COURT CLERK
McCLAIN COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE YEAR ENDED JUNE 30, 2009**

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Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

June 30, 2011

Lynda Baker, Court Clerk
McClain County Courthouse
Purcell, Oklahoma 74501

Transmitted herewith is the statutory report for the McClain 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 "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

GARY A. JONES, CPA, CFE
OKLAHOMA 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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Lynda Baker, Court Clerk
McClain County Courthouse
Purcell, Oklahoma 74501

Dear Ms. Baker:

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 McClain 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; 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, Court Clerk Revolving Fund activity, and District Court case balances reconciled with the County Treasurer's records. With respect to the matters of Court Clerk Revolving Fund expenditures being properly supported and approved, and segregation of duties, our findings are 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 McClain 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 McClain County Court Clerk, which was submitted to the Administrative Office of the Courts.

This report is intended for the information and use of the McClain 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.

A handwritten signature in blue ink, appearing to read "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

June 28, 2011

**LYNDA BAKER, COURT CLERK
McCLAIN COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
JUNE 30, 2009**

Collections:

Court fund fines, fees, and forfeitures	\$	811,293
Interest earned on deposits		227
Cancelled vouchers		227
Total collections		811,747

Deductions:

Lump sum budget categories:

Juror expenses		16,936
Trial court attorneys		46,970
Mental health attorneys		1,550
Guardianship ad litem fees		4,500
Mental health physician fees		2,850
Transcripts preliminary		780
Transcripts appeals		10,061
General office supplies		6,851
Forms printing		7,608
Postage and freight		5,595
Publications		349
OCIS computer training		64
Court reporter supplies		630
Gas, water, and electricity		13,155
General telephone expenses		7,856
Other expenses		412
Total lump sum categories		126,167

Restricted budget categories:

Maintenance of courtroom		14,110
Equipment rental		2,292
Maintenance of equipment		15,447
OCIS services		32,032
Photocopy equipment rentals		8,063
Part-time bailiffs		98
Per-diem court reporters		657
Part-time court employees		163,557
Total restricted categories		236,256

**LYNDA BAKER, COURT CLERK
McCLAIN COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
JUNE 30, 2009**

Mandated budget categories:	
Law library	7,000
State judicial fund	414,776
Total mandated categories	<u>421,776</u>
Total deductions	<u>784,199</u>
Collections over (under) deductions	27,548
Beginning account balance July 1, 2008	<u>129,751</u>
Ending account balance June 30, 2009	<u><u>\$ 157,299</u></u>

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

**LYNDA BAKER, COURT CLERK
McCLAIN COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND REPORT
JUNE 30, 2009**

Collections:	
Court fund revolving fees	\$ 54,779
Total collections	<u>54,779</u>
Deductions:	
Court clerk revolving fund disbursements	<u>12,086</u>
Total deductions	<u>12,086</u>
Collections over (under) deductions	42,693
Beginning account balance July 1, 2008	<u>171,805</u>
Ending account balance June 30, 2009	<u>\$ 214,498</u>

**LYNDA BAKER, COURT CLERK
McCLAIN COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2009**

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 the following concerns in regards to recording, authorization, custody, and execution of revenue transactions:

There are eight full time employees in the Court Clerk's office, including the Court Clerk. A single Deputy performs the duties of receiving money/issuing receipts, balancing the cash drawer to daily receipts, and preparing deposits. This employee is also performing the duties of making the deposit, posting payments and/or credits to customer accounts, and reconciling the account with the Treasurer.

We noted the following concerns in regards to recording, authorization, custody, and execution of expenditure transactions:

A single deputy performs the duties of calculating amounts to be vouchered, preparing, signing, and posting vouchers to the cash book; as well as certifying receipt of goods and/or services.

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, the duties identified above should not be performed by one person but should be properly segregated. Regarding the disbursement process, the duties of issuing vouchers and the delivery/disbursement of vouchers should be separated.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's findings. Management does have knowledge of office operations and will perform a periodic review of these operations. Corrective Action taken: The Court Clerk or First Deputy opens all mail and distributes payments sent through mail to several deputies for receipting. The computer system automatically disburses payments and Second Deputy/Bookkeeper checks disbursements and issues vouchers.

**LYNDA BAKER, COURT CLERK
McCLAIN COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2009**

Finding 2009-2 – Revolving Fund Claims, Invoices (Repeat Finding)

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 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: An audit of revolving fund vouchers revealed that voucher and claim number 98 in the amount of \$1,350.00 was not accurately supported with documentation. The amount reflected on the attached invoice was \$810.75.

Effect: This condition could result in unrecorded transactions, undetected errors, or misappropriation of assets.

Recommendation: OSAI recommends that claims, vouchers, and invoices be reviewed for accuracy prior to payment.

Views of responsible officials and planned corrective actions: These payments were made in advance to Accurant, now Accurant bills me quarterly for these services. So that will correct this discrepancy.



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