

PUSHMATAHA COUNTY COURT CLERK

FOR THE YEAR ENDED
JUNE 30, 2008

STATUTORY REPORT



Oklahoma State Auditor
& Inspector

**KATHY MILAM, COURT CLERK
PUSHMATAHA 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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January 6, 2009

Kathy Milam, Court Clerk
Pushmataha County Courthouse
Antlers, Oklahoma 74523

Transmitted herewith is the statutory report for the Pushmataha 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". The signature is written in a cursive, flowing style.

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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Kathy Milam, Court Clerk
Pushmataha County Courthouse
Antlers, Oklahoma 74523

Dear Ms. Milam:

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 Pushmataha County.

Based on the above reconciliations, tests, and procedures performed, the Court Clerk was collecting the correct fees; 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 financial records, and District Court case balances reconciled with the County Treasurer's records. With respect to the matters of segregation of duties and the proper accounting of receipts, 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 Pushmataha 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

December 8, 2008

**KATHY MILAM, COURT CLERK
PUSHMATAHA COUNTY, OKLAHOMA
COURT FUND ACCOUNT ANALYSIS
JUNE 30, 2008**

Collections:

Court fund fines, fees, and forfeitures	\$ 242,914
Interest earned on deposits	187
Cancelled vouchers	97
Total collections	<u>243,198</u>

Deductions:

Lump sum budget categories:

Juror expenses	14,635
Trial court attorneys	7,893
Transcripts appeals	3,344
OCIS computer training	357
General office supplies	5,823
Postage and freight	3,576
Court reporter supplies	1,189
Gas, water, and electricity	347
General telephone expenses	3,069
Long-distance telephone expense	273
Other expenses	498
Total lump sum categories	<u>41,004</u>

Restricted budget categories:

Photocopy equipment rentals	3,240
Part-time bailiffs	261
OCIS services	16,128
Part-time court employees	<u>32,824</u>
Total restricted categories	<u>52,453</u>

**KATHY MILAM, COURT CLERK
PUSHMATAHA COUNTY, OKLAHOMA
COURT FUND ACCOUNT ANALYSIS
JUNE 30, 2008**

Mandated budget categories:	
Law library	7,000
State judicial fund	<u>140,934</u>
Total mandated categories	<u>147,934</u>
Total deductions	<u>241,391</u>
Collections over (under) deductions	1,807
Beginning account balance July 1, 2007	<u>38,474</u>
Ending account balance June 30, 2008	<u><u>\$ 40,281</u></u>

**KATHY MILAM, COURT CLERK
PUSHMATAHA COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND ANALYSIS
JUNE 30, 2008**

Collections:	
Court fund revolving fees	\$ 17,382
Total collections	<u>17,382</u>
Deductions:	
Court fund disbursements	<u>4,008</u>
Total deductions	<u>4,008</u>
Collections over (under) deductions	13,374
Beginning account balance July 1, 2007	<u>29,290</u>
Ending account balance June 30, 2008	<u>\$ 42,664</u>

**KATHY MILAM, COURT CLERK
PUSHMATAHA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2008**

Finding 2008-1—Segregation of Duties (Repeat Finding)

Criteria: Segregation of duties over asset custody, transaction authorization, bookkeeping, and reconciliations are important elements of effective internal control over government assets and resources.

Condition: It was noted that asset custody, transaction authorization, bookkeeping, and reconciliations were not properly segregated to assure adequate internal control structure.

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

Recommendation: OSAI recommends management be aware of this condition 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: We concur with the State Auditor's findings. Management does have knowledge of office operations and will perform a periodic review of these operations.

Finding 2008-2—District Court Receipts

Criteria: Effective internal controls include issuing receipts for collections in a uniform manner.

Condition: During our test work of the Court Clerk's District Court Official Depository Account, we noted that handwritten receipts are issued for collections of current cases received after 3 P.M. These receipts are voided the next day and computerized receipts are generated.

Effect: This condition could result in improprieties being undetected.

Recommendation: OSAI recommends that computer generated receipts be issued for all collections of current cases.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's findings. Receipts were issued in this manner so that daily reports generated by the computer system would reconcile to collections. We will take steps to correct this problem.



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