

**PITTSBURG
COUNTY
COURT CLERK**

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

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**CINDY ELLER, COURT CLERK
PITTSBURG 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

July 12, 2010

Cindy Eller, Court Clerk
Pittsburg County Courthouse
McAlester, Oklahoma 74501

Transmitted herewith is the statutory report for the Pittsburg 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.

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
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Cindy Eller, Court Clerk
Pittsburg County Courthouse
McAlester, Oklahoma 74501

Dear Ms. Eller:

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 Pittsburg County.

Based on the above reconciliations, tests, and procedures performed, except for the matter of segregation of duties, 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 financial records, and District Court case balances reconciled with the County Treasurer's records. With respect to the Court Clerk collecting the correct fees and properly accounting for them, and Court Clerk Revolving Fund expenditures being properly supported and approved, our findings are presented in the accompanying schedule of findings and responses. With respect to segregation of duties, our finding is presented in the schedule of findings and responses.

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

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

June 1, 2010

**CINDY ELLER, COURT CLERK
PITTSBURG COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
JUNE 30, 2009**

Collections:

Court fund fines, fees, and forfeitures	\$ 1,330,100
Interest earned on deposits	17,710
Canceled vouchers, refunds	4,087
Total collections	<u>1,351,897</u>

Deductions:

Lump sum budget categories:

Juror expenses	36,005
Trial court attorneys	39,978
Guardian ad litem fees	2,300
Transcripts preliminary and trial	9,377
Transcripts appeals	1,764
General office supplies	19,986
Forms printing	5,868
Publications	641
Books for records, indexes	542
Postage and freight	17,600
Microfilm supplies	1,215
Court reporter supplies	1,248
Gas, water, and electricity	12,975
General telephone expenses	6,381
Long-distance telephone expense	2,823
Other expenses	2,281
Total lump sum categories	<u>160,984</u>

Restricted budget categories:

Maintenance of court area(s)	1,800
Security for court area	12,000
Furniture & fixtures	970
Equipment purchases	1,726
Equipment rentals	583
Maintenance of equipment	34,824
OCIS services	37,492
Photocopy equipment maintenance	4,799
Part-time bailiffs	3,682
Part-time court clerk employees	330,196
Total restricted categories	<u>428,072</u>

**CINDY ELLER, COURT CLERK
PITTSBURG COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
JUNE 30, 2009**

Mandated budget categories:	
Law library	9,000
State judicial fund	766,360
Total mandated categories	<u>775,360</u>
Total deductions	<u>1,364,416</u>
Collections over (under) deductions	(12,519)
Beginning account balance July 1, 2008	<u>578,920</u>
Ending account balance June 30, 2009	<u><u>\$ 566,401</u></u>

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

**CINDY ELLER, COURT CLERK
PITTSBURG COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND REPORT
JUNE 30, 2009**

Collections:	
Court fund revolving fees	<u>\$ 92,981</u>
Total collections	<u>92,981</u>
Deductions:	
Court clerk revolving fund disbursements	<u>89,054</u>
Total deductions	<u>89,054</u>
Collections over (under) deductions	3,927
Beginning account balance July 1, 2008	<u>287,987</u>
Ending account balance June 30, 2009	<u><u>\$ 291,914</u></u>

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

**CINDY ELLER, COURT CLERK
PITTSBURG COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2009**

Finding 2009-1 – Segregation of Duties

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 employee could be responsible for the recording, authorization, custody, and execution of revenue transactions. The following are concerns we noted:

- There are fifteen full time employees in the Court Clerk's office, including the Court Clerk. There are three employee cashiers; one primary cashier and two backup cashiers. When the primary cashier goes to lunch or takes a break, one of the backup cashiers takes over. All three cashiers operate out of the same cash drawer. The primary cashier writes receipts, balances the cash drawer, and prepares the deposit.
- The Court Clerk opens the mail and stamps the back of the checks/money orders received. The checks/money orders are then delivered to the cost administrator to be assigned a case number before being receipted by the cashier. At the end of the day, the Court Clerk takes the deposit to the Treasurer. She reconciles the Court Fund and District Court Fund accounts to the Treasurer.
- The First Deputy, who is also one of the backup cashiers, verifies the deposit and posts receipts to the ledger/cashbook.

We noted the following concerns in regards to a single employee being responsible for the recording, authorization, custody, and execution of expenditure transactions:

- The Court Clerk is responsible for requisitioning, receiving goods and services, issuing vouchers (vouchers are automatically posted to ledgers), and distributing/mailing vouchers to vendors.

Effect: By having employees who have the opportunity to perform more than one area of recording, authorizing, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of funds.

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 employees' daily receipts, and be approved by someone independent of the cash drawer. Regarding the disbursement process, the duties of issuing vouchers and the delivery/disbursement of vouchers should be separated. Also, requisitioning and receiving duties regarding Court Fund disbursements should be separated.

**CINDY ELLER, COURT CLERK
PITTSBURG COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2009**

Views of responsible officials and planned corrective actions: We concur with the State Auditor's findings. Management will oversee office operations and will perform a periodic review of these operations. Steps have been taken to correct this finding.

Finding 2009-2 – Schedule of Cases / Cash Book

Criteria: Internal controls include monitoring collections for which cases have not yet been filed and timely assigning and transferring collections once cases have been filed.

Condition: It was noted that collections for traffic citations that are received prior to the OHP bringing in the original citations are posted as a NF file (non-file). However, on the cash book it was posted to the marriage license column, making the marriage license column total incorrect.

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

Recommendation: OSAI recommends that ledgers be maintained to accurately reflect the different sources of collections. The system should provide for the identification of collections that cannot be assigned to a case.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's findings. This was a computer programming error and has been corrected by KellPro.

Finding 2009-3 – Travel Claim-Revolving Fund

Criteria: 19 O.S. §163 states:

Each county officer or his deputy shall be entitled to reimbursement for all traveling expenses incurred in the performance of official duties. All expenses shall be paid upon sworn itemized claims.

Condition: It was noted that the Court Clerk did not submit a travel claim for voucher number 27 when paid from the Revolving Fund Account.

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

Recommendation: OSAI recommends management be aware of this condition and require that travel claims be completed and attached to all claims for reimbursements for travel.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's findings. Management was not aware of this condition; however, we will ensure that future travel claims will be completed and attached to all revolving fund claims for travel reimbursement.



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