

STATUTORY REPORT

PUSHMATAHA COUNTY COURT CLERK

For the year ended June 30, 2010



*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

**TINA FREEMAN, COURT CLERK
PUSHMATAHA COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE YEAR ENDED JUNE 30, 2010**

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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

March 21, 2011

Tina Freeman, 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, 2010. 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.

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

**TINA FREEMAN, COURT CLERK
PUSHMATAHA COUNTY, OKLAHOMA
STATUTORY REPORT
JUNE 30, 2010**

TABLE OF CONTENTS

Introductory Information ii

Statutory Report of State Auditor and Inspector 1

Court Fund Account Report..... 3

Court Clerk Revolving Fund Report..... 4

Schedule of Findings and Responses 5

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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Tina Freeman, Court Clerk
Pushmataha County Courthouse
Antlers, Oklahoma 74523

Dear Ms. Freeman:

We have performed procedures for fiscal year 2010 activity of the Court Fund Account for the purpose of complying with 20 O.S. § 1312. We have also performed procedures for fiscal year 2010 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, and with respect to items tested, the Court Clerk was collecting the correct fees and properly accounting for them; Court Fund vouchers were properly classified and did not exceed appropriations; Court Clerk Revolving Fund expenditures were properly 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. With respect to Court Fund expenditures being properly supported and approved, and Court Clerk Revolving Fund expenditures being properly supported, our findings are presented in the accompanying schedule of findings and responses. We also noted a matter of segregation of duties, and 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 from the Pushmataha 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 Pushmataha County Court Clerk, which was submitted to the Administrative Office of the Courts.

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.



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

January 31, 2011

**TINA FREEMAN, COURT CLERK
PUSHMATAHA COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
JUNE 30, 2010**

Collections:	
Court fund fines, fees, and forfeitures	\$ 229,207
Interest earned on deposits	53
Cancelled vouchers	43
Total collections	229,303
Deductions:	
Lump sum budget categories:	
Juror expenses	8,129
Trial court attorneys	6,951
Transcripts preliminary	580
General office supplies	6,732
Postage and freight	2,828
Court reporter supplies	546
General telephone expenses	3,496
Long-distance telephone expense	252
Other expenses	1,811
Total lump sum categories	31,325
Restricted budget categories:	
Maintenance of equipment	881
OCIS services	16,128
Photocopy equipment maintenance	3,245
Part-time court employees	46,828
Total restricted categories	67,082
Mandated budget categories:	
Law library	7,000
State judicial fund	127,011
Total mandated categories	134,011
Total deductions	232,418
Collections over (under) deductions	(3,115)
Beginning account balance July 1, 2009	46,983
Ending account balance June 30, 2010	\$ 43,868

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

**TINA FREEMAN, COURT CLERK
PUSHMATAHA COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND REPORT
JUNE 30, 2010**

Collections:	
Court fund revolving fees	\$ 17,180
Total collections	<u>17,180</u>
Deductions:	
Court clerk revolving fund disbursements	<u>6,271</u>
Total deductions	<u>6,271</u>
Collections over (under) deductions	10,909
Beginning account balance July 1, 2009	<u>45,900</u>
Ending account balance June 30, 2010	<u>\$ 56,809</u>

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

**TINA FREEMAN, COURT CLERK
PUSHMATAHA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2010**

Finding 2010-1 – 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 three full time employees in the Court Clerk's office, including the Court Clerk. All employees work out of the same cash drawer. All employees perform the duties of opening mail, issuing receipts, and preparing deposits. However, all deputies also perform the duties of making deposits.

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

District Court:

The Court Clerk performs the duties of preparing vouchers. However, the Court Clerk is also performing the duties of signing, mailing vouchers, and reconciling the account with the Treasurer.

Court Fund:

The Court Clerk performs the duties of preparing vouchers. However, the Court Clerk is also performing the duties of signing, mailing vouchers, and reconciling the account with the Treasurer. The Court Clerk also uses the District Judge's signature stamp for approval of claims. No one other than the Court Clerk reviews the claims.

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. OSAI also 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. Regarding the disbursement process, the duties of issuing vouchers and the delivery/disbursement of vouchers should be separated.

**TINA FREEMAN, COURT CLERK
PUSHMATAHA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2010**

Views of responsible officials and planned corrective actions: Management has knowledge of operations and performs periodic reviews of operations.

Finding 2010-2 – Revolving Fund Expenditures

Criteria: Effective internal controls are necessary to ensure stewardship and accountability of public funds. Effective accounting procedures include all expenditures of the Court Clerk Revolving Fund be supported by independent verification of goods and services.

Condition: Ten of the fifteen expenditures tested did not have independent verification of goods and services received.

Effect: This condition could result in undetected errors and misappropriation of funds.

Recommendation: OSAI recommends that all Court Clerk Revolving Fund expenditures have supporting documentation for goods and services received.

Views of responsible officials and planned corrective actions: Management is aware of the situation and as of December 20, 2010, all Revolving Fund claims will have a receiving report attached, including all travel claims.

Finding 2010-3 – Court Fund Expenditures

Criteria: Title 20 O.S. § 1304 states:

Payment of the expenses may be made after the claim is approved by the district judge who is a member of the governing board of the court fund and either the local court clerk or the local associate district judge who is a member of the governing board.

Effective procedures are necessary to ensure stewardship and accountability of public funds. Aspects of effective accounting procedures include maintaining supporting documentation for expenditures, and performing an independent verification of goods and services received.

Condition: Three of the twenty claims tested did not have proper approval of the court board. Additionally, one claim was not prepared and properly approved for the payment of juror expenses related to the December docket.

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

Recommendation: OSAI recommends that Court Fund expenditures be approved by a majority of the Court Board, have an invoice or supporting documentation attached, and reflect independent verification of goods and services received.

**TINA FREEMAN, COURT CLERK
PUSHMATAHA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2010**

Views of responsible officials and planned corrective actions: Management is aware of the situation and the Court Clerk has now set up a Court Clerk employee account and the County Clerk now handles the claims for payroll.



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