

**PUSHMATAHA
COUNTY
COURT CLERK**

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

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**TINA FREEMAN, COURT CLERK
PUSHMATAHA 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

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, 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

**TINA FREEMAN, COURT CLERK
PUSHMATAHA COUNTY, OKLAHOMA
STATUTORY REPORT
JUNE 30, 2009**

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**TINA FREEMAN, COURT CLERK
PUSHMATAHA COUNTY, OKLAHOMA
STATUTORY REPORT
JUNE 30, 2009**

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

Dear Ms. Freeman:

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 Pushmataha County.

Based on the above reconciliations, tests, and procedures performed, except for the matter of segregation of duties, 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 District Court receipts being properly accounted for in the financial records, our finding is 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 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.

Sincerely,



STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

June 7, 2010

**TINA FREEMAN, COURT CLERK
PUSHMATAHA COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
JUNE 30, 2009**

Collections:	
Court fund fines, fees, and forfeitures	\$ 250,304
Interest earned on deposits	154
Cancelled vouchers	<u>43</u>
Total collections	<u>250,501</u>
Deductions:	
Lump sum budget categories:	
Juror expenses	18,724
Trial court attorneys	6,832
Transcripts preliminary and trial	1,521
General office supplies	6,403
Postage and freight	3,826
Court reporter supplies	542
General telephone expenses	3,226
Long-distance telephone expense	248
Other expenses	<u>2,275</u>
Total lump sum categories	<u>43,597</u>
Restricted budget categories:	
Photocopy equipment rentals	3,617
Maintenance of equipment	32
OCIS services	16,128
Part-time bailiffs	424
Part-time court employees	<u>56,774</u>
Total restricted categories	<u>76,975</u>
Mandated budget categories:	
Law library	7,000
State judicial fund	<u>116,227</u>
Total mandated categories	<u>123,227</u>
Total deductions	<u>243,799</u>
Collections over (under) deductions	6,702
Beginning account balance July 1, 2008	<u>40,281</u>
Ending account balance June 30, 2009	<u>\$ 46,983</u>

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, 2009**

Collections:	
Court clerk revolving fund fees	<u>\$ 15,137</u>
Total collections	<u>15,137</u>
Deductions:	
Court clerk revolving fund disbursements	<u>11,901</u>
Total deductions	<u>11,901</u>
Collections over (under) deductions	3,236
Beginning account balance July 1, 2008	<u>42,664</u>
Ending account balance June 30, 2009	<u><u>\$ 45,900</u></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, 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 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 four full time employees in the Court Clerk's office, including the Court Clerk. All employees receive money and write receipts. All employees work out of the same cash drawer.
- In addition to receiving money and issuing receipts, the Court Clerk and First Deputy also open the mail and stamp the back of the checks/money orders received.
- All deputies can verify the cash drawer, reconcile the deposit to the daily receipts, take the deposit to the Treasurer, post receipts to the ledger/cashbook, and issue permits.

We also noted a concentration of duties in regards to a single employee being responsible for recording, authorization, custody, and execution of expenditure transactions for the Court Fund:

- The Court Clerk is responsible for all actions associated with Court Fund expenditures. The Court Clerk is responsible for requisitioning, receiving goods and services, issuing vouchers (vouchers are posted to the ledger automatically), and delivering vouchers to vendors.

We also noted a concentration of duties in regards to a single employee being responsible for recording, authorization, custody, and execution of expenditure transactions for the District Court Fund:

- The Court Clerk is responsible for all actions associated with District Court Fund expenditures. The Court Clerk reviews and calculates amounts to be vouchered to other funds and agencies, and prepares, signs, posts, and mails/distributes vouchers.

Effect: By having a single person who has the opportunity to perform more than one area of recording, authorizing, custody of assets, and execution of transactions could result in not timely detecting 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.

**TINA FREEMAN, COURT CLERK
PUSHMATAHA 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 does have knowledge of office operations and will perform a periodic review of these operations.

Finding 2009-2—District Court Receipts (Repeat Finding)

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: As of February 2009, all old cases are posted to the OCIS System. At that time, the Court Clerk's office stopped issuing hand written receipts.



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