

**POTTAWATOMIE
COUNTY
COURT CLERK**

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

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**RETA HEAD, COURT CLERK
POTTAWATOMIE 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

October 12, 2010

Reta Head, Court Clerk
Pottawatomie County Courthouse
Shawnee, Oklahoma 74801

Transmitted herewith is the statutory report for the Pottawatomie 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

**RETA HEAD, COURT CLERK
POTTAWATOMIE COUNTY, OKLAHOMA
STATUTORY REPORT
JUNE 30, 2009**

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**RETA HEAD, COURT CLERK
POTTAWATOMIE 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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Reta Head, Court Clerk
Pottawatomie County Courthouse
Shawnee, Oklahoma 74801

Dear Ms. Head:

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 Pottawatomie County.

Based on the above reconciliations, tests, and procedures performed, and with respect to the 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. However, we noted a matter of segregation of duties, and our finding is presented in the schedule of findings and responses. With respect to Court Clerk Revolving Fund expenditures being properly supported and approved, our finding is 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 Pottawatomie 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 Pottawatomie County Court Clerk, which was submitted to the Administrative Office of the Courts.

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

July 28, 2010

**RETA HEAD, COURT CLERK
POTTAWATOMIE COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
JUNE 30, 2009**

Collections:	
Court fund fines, fees, and forfeitures	\$ 1,262,421
Interest earned on deposit	3,271
Cancelled vouchers	1,668
Total collections	<u>1,267,360</u>
Deductions:	
Lump sum budget categories:	
Juror expenses	21,224
Witness expenses	99
Trial court attorneys	180,091
Mental health (attorneys)	12,600
Guardian ad litem fees	25,706
Transcripts - preliminary & trial	7,271
Transcripts - appeals	1,656
General office supplies	19,776
Forms printing	10,673
Publications	1,983
Books for records and indexes	1,197
Postage and freight	17,348
Court reporter supplies	3,770
Gas, water, and electricity	15,161
General telephone expense	549
Other expenses (robes, etc.)	2,817
Total lump sum categories	<u>321,921</u>
Restricted budget categories:	
Maintenance of court area(s)	16,890
Security of court area(s)	25,000
Furniture and fixtures	851
Equipment purchases	3,083
Maintenance of equipment	28,863
OCIS services	34,608
Photocopy equipment rental	10,950
Photocopy equipment maintenance	4,260
Part-time bailiffs	8,014
Per-diem court reporters	3,821
Part-time court clerk employees	151,972
Total restricted categories	<u>288,312</u>

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

**RETA HEAD, COURT CLERK
POTTAWATOMIE COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
JUNE 30, 2009**

Mandated categories:	
Law library	9,000
State judicial fund	<u>682,019</u>
Total mandated categories	<u>691,019</u>
Total deductions	<u>1,301,252</u>
Collections over (under) deductions	(33,892)
Beginning account balance July 1, 2008	<u>289,944</u>
Ending account balance June 30, 2009	<u><u>\$ 256,052</u></u>

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

**RETA HEAD, COURT CLERK
POTTAWATOMIE COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND REPORT
JUNE 30, 2009**

Collections:	
Court fund revolving fees	<u>\$ 151,448</u>
Total collections	<u>151,448</u>
Deductions:	
Court revolving fund expenses	<u>155,070</u>
Total deductions	<u>155,070</u>
Collections over (under) deductions	(3,622)
Beginning account balance July 1, 2008	<u>195,414</u>
Ending account balance June 30, 2009	<u><u>\$ 191,792</u></u>

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

**RETA HEAD, COURT CLERK
POTTAWATOMIE 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 a single person being responsible for the recording, authorization, custody, and execution of revenue transactions:

- All employees work from the same cash drawer.
- The first and second deputies balance the cash drawer, prepare official depository tickets, take the deposit to the Treasurer, reconcile the account balance with the Treasurer, and approve bad debt write-offs or A/R adjustments.

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

- The Court Clerk calculates amounts vouchered to other funds, reviews amounts vouchered to other funds, authorizes purchases, prepares claims with supporting documentation, and approves claims for payment.
- The first and second deputies calculate amounts vouchered to other funds, review amounts vouchered to other funds, prepare vouchers, sign vouchers, mail/distribute vouchers, and certify receipt of goods and/or services. In addition to certifying receipt of goods and/or services, the second deputy also can authorize purchases.

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, OSAI 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. Also, requisitioning and receiving duties regarding Court Fund disbursements should be separated.

**RETA HEAD, COURT CLERK
POTTAWATOMIE COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2009**

Views of responsible officials and planned corrective actions: I have twelve deputies. KellPro allows three of us the security clearance to reverse receipts. The deputies alternate months doing the deposits and end of month books. We are now training another deputy to help with these functions.

Finding 2009-2 – Revolving Fund Expenditures

Criteria: Effective accounting procedures are necessary to ensure stewardship and accountability of public funds. An important aspect of effective accounting procedures includes maintaining supporting documentation for expenditures.

Condition: During our test of revolving fund expenditures, we noted that 1 of the 25 claims tested did not have an invoice or supporting documentation.

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

Recommendation: OSAI recommends that more emphasis be placed on having an original invoice or supporting documentation attached to all claims.

Views of responsible officials and planned corrective actions: I do not agree with this statement. I never pay a claim without an invoice attached. The District Judge would not sign it without an invoice.

OSAI Response: The documentation for claim #137 is a memo from the County Clerk to the Court Clerk requesting a purchase order for the Court Clerk's revolving fund. Sufficient supporting documentation should include the payroll claim supporting the amount of the payment.



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