

Client Trust Fund Inspection Report
Grantee: Legal Aid of Western Oklahoma
Recipient No. 737056
Report No. IN99-020

FINAL REPORT

January 3, 2000

VIA E-mail
Mr. Stan Foster
Executive Director
Legal Aid of Western Oklahoma - 737056

Dear Mr. Foster:

This report (OIG 99-020) provides the results of our inspection of Legal Aid of Western Oklahoma's (grantee) compliance with the LSC Accounting Guide For LSC Recipients (Accounting Guide) with respect to client trust funds. The inspection focused on recipient compliance with record keeping requirements as established in the Accounting Guide. The on-site inspection was conducted September 21-29, 1999, at the main office in Oklahoma City and at the branch offices in Oklahoma City, Norman and Clinton, Oklahoma. The inspection determined that Legal Aid of Western Oklahoma was in general compliance with the LSC Accounting Guide. The inspection identified the following areas where internal controls should be improved:

1. The grantee needs to improve segregation of duties as outlined in the Accounting Guide pages 86-87. The responsibilities of the Oklahoma City Law Office Administrative Secretary should not include all of the following: receiving cash or checks, issuing receipts, preparing the bank deposit slips, and depositing money. The office should consider having another staff person share the duties involved with the receipt and deposit of client trust funds, instead of the Administrative Secretary performing all of the duties. These changes would help to ensure an adequate separation of duties as outlined in the LSC Accounting Guide.
2. The grantee has a Client Trust Disbursement Request form but the reason for the disbursement as well as the approving signature is not always included as required by the Accounting Guide. We suggest that staff attorneys be reminded to always include the reason for the disbursement and that an approving official be required to sign the disbursement request. The grantee agreed to make these changes.
3. Escrow account bank statements are currently opened by the bookkeeper. We suggest that escrow bank statements be delivered unopened to the Executive Director or Administrative Services Director for initial review.
4. The current Financial Policies and Procedures Manual did not reflect all current procedures in place and should be updated. The grantee is

currently in the processing of updating their manual. We suggest a section be added concerning state escheat guidelines and a section regarding client trust procedures at the branch offices.

Please provide a copy of this report to each member of the board of directors of Legal Aid of Western Oklahoma.

(Signed)

E.R. Quatrevaux
Inspector General

cc: Danilo Cardona, Acting Vice President for Programs