

**ALFALFA
COUNTY
COURT CLERK**

**FOR THE PERIOD JULY 1, 2007
THROUGH JUNE 30, 2009**

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**LORI IRWIN, COURT CLERK
ALFALFA COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2009**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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October 4, 2010

Lori Irwin, Court Clerk
Alfalfa County Courthouse
Cherokee, Oklahoma 73728

Transmitted herewith is the statutory report for the Alfalfa County Court Clerk for the period July 1, 2007 through 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

**LORI IRWIN, COURT CLERK
ALFALFA COUNTY, OKLAHOMA
STATUTORY REPORT
JULY 1, 2007 THROUGH JUNE 30, 2009**

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**LORI IRWIN, COURT CLERK
ALFALFA COUNTY, OKLAHOMA
STATUTORY REPORT
JULY 1, 2007 THROUGH 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

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Lori Irwin, Court Clerk
Alfa County Courthouse
Cherokee, Oklahoma 73728

Dear Ms. Irwin:

We have performed procedures for the period July 1, 2007 through June 30, 2009 activity of the Court Fund Account for the purpose of complying with 20 O.S. § 1312. We have also performed procedures for the period July 1, 2007 through June 30, 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 Alfalfa 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 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 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 accompanying schedule of findings and responses.

We have included in this report the Court Fund Account Reports, which were prepared from the Alfalfa 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 Reports, which were prepared by the Alfalfa County Court Clerk, which were submitted to the Administrative Office of the Courts.

This report is intended for the information and use of the Alfalfa 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 18, 2010

**LORI IRWIN, COURT CLERK
ALFALFA COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2008**

Collections:	
Court fund fines, fees, and forfeitures	\$ 137,694
Interest	2,416
Total collections	<u>140,110</u>
Deductions:	
Lump sum budget categories:	
Juror expenses	1,756
Trial court attorneys	4,750
Mental health (attorneys)	2,975
Transcripts - preliminary & trial	53
General office supplies	2,896
Forms printing	1,226
Postage and freight	2,040
Court reporter supplies	533
Gas, water and electricity	10,800
Long distance telephone expense	2,233
Total lump sum categories	<u>29,262</u>
Restricted budget categories:	
Equipment purchases	4,118
Equipment rentals	492
Maintenance of equipment	6,456
OCIS services	8,652
Photocopy equipment rental	2,973
Court clerk employee	24,284
Total restricted categories	<u>46,975</u>
Mandated categories:	
Law library	5,000
State judicial fund	60,668
Total mandated categories	<u>65,668</u>
Total deductions	<u>141,905</u>
Collections over (under) deductions	(1,795)
Refunds	171
Beginning account balance July 1, 2007	<u>83,667</u>
Ending account balance June 30, 2008	<u>\$ 82,043</u>

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

**LORI IRWIN, COURT CLERK
ALFALFA COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

Collections:	
Court fund fines, fees, and forfeitures	\$ 151,516
Interest earned on deposit	1,918
Total collections	<u>153,434</u>
Deductions:	
Lump sum budget categories:	
Juror expenses	2,215
Trial court attorneys	6,950
Mental health (attorneys)	1,800
Transcripts - appeals	207
General office supplies	979
Forms printing	731
Postage and freight	2,324
Court reporter supplies	272
Gas, water, electricity	10,800
Long distance telephone expense	2,257
Total lump sum categories	<u>28,535</u>
Restricted budget categories:	
Equipment purchases	829
Equipment rentals	492
Maintenance of equipment	7,690
OCIS services	8,252
Photocopy equipment rental	2,516
Court clerk employee	30,123
Total restricted categories	<u>49,902</u>
Mandated categories:	
Law library	-
State judicial fund	73,500
Total mandated categories	<u>73,500</u>
Total deductions	<u>151,937</u>
Collections over (under) deductions	1,497
Beginning account balance July 1, 2008	<u>82,043</u>
Ending account balance June 30, 2009	<u>\$ 83,540</u>

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

**LORI IRWIN, COURT CLERK
ALFALFA COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND REPORT
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2008**

Collections:	
Fees	\$ 10,653
Total collections	<u>10,653</u>
Deductions:	
Lump sum budget categories:	
Disbursements	<u>7,484</u>
Total deductions	<u>7,484</u>
Collections over (under) deductions	3,169
Beginning account balance July 1, 2007	<u>17,864</u>
Ending account balance June 30, 2008	<u>\$ 21,033</u>

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

**LORI IRWIN, COURT CLERK
ALFALFA COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND REPORT
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009**

Collections:	
Court fund revolving fees	\$ 26,563
Total collections	<u>26,563</u>
Deductions:	
Court revolving fund expenses	<u>28,948</u>
Total deductions	<u>28,948</u>
Collections over (under) deductions	(2,385)
Beginning account balance July 1, 2008	<u>21,033</u>
Ending account balance June 30, 2009	<u><u>\$ 18,648</u></u>

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

**LORI IRWIN, COURT CLERK
ALFALFA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2009**

Finding 2008-1/2009-1 – 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: The following conditions were noted while testing employee operations for the Court Clerk accounts:

District Court – All employees issue receipts, balance the cash drawer, prepare the deposit, take the deposit to the County Treasurer, and write vouchers. These duties are not segregated, but are performed by the employee that is available to perform each duty. The Court Clerk also reconciles the balance to the Treasurer.

Court Fund – The Court Clerk prepares the claims, calculates the amount for disbursement, and reconciles the account to the County Treasurer’s balance.

Court Clerk Revolving Fund - The Court Clerk prepares the claims, calculates the amount for disbursement, and reconciles the account to the County Treasurer’s balance.

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. OSAI recommends management provide segregation of duties so that no one employee is able to perform all accounting functions. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office, and having management review and approval of accounting functions.

Views of responsible officials and planned corrective action: The Court Clerk concurs with this finding.



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