

**LORI IRWIN, COURT CLERK
ALFALFA COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE YEAR ENDED JUNE 30, 2007**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

May 22, 2008

Lori Irwin, Court Clerk
Alfalfa County, Oklahoma

Transmitted herewith is the statutory report for the Alfalfa County, Court Clerk, for the fiscal year ended June 30, 2007. 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 "Michelle R. Day".

MICHELLE R. DAY, Esq.
Deputy State Auditor and Inspector

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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 OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

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

Dear Ms. Irwin:

We have performed procedures for fiscal year 2007 activity of the Court Fund Account for the purpose of complying with 20 O.S. § 1312. We have also performed procedures for fiscal year 2007 activity of the Court Clerk Revolving Fund as created by 19 O.S. § 220.

- 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.
- Test receipts issued to determine whether: (1) the correct fee was collected, and (2) the receipt was properly accounted for in the financial records.

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; the Court Clerk was collecting the correct fees and was properly accounting for them; Court Fund vouchers were properly supported, 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 segregation of duties; Law Library Revolving Fund transfer amounts; and Court Fund claim approvals, our findings are included in the schedule of findings and responses.

We have prepared detailed analysis of the Court Fund Account and of the Court Clerk Revolving Fund, which are presented following this report.

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,



MICHELLE R. DAY, Esq.
Deputy State Auditor and Inspector

April 28, 2008

**LORI IRWIN, COURT CLERK
ALFALFA COUNTY, OKLAHOMA
COURT FUND ACCOUNT ANALYSIS
JUNE 30, 2007**

Collections:	
Court fund fines, fees, and forfeitures	\$ 132,891
Interest earned on deposits	504
Total collections	133,395
Deductions:	
Lump sum budget categories:	
Trial court attorneys	10,444
Mental health (attorneys)	1,750
General office supplies	4,065
Forms printing	1,687
Postage and freight	2,352
Court reporter supplies	413
Gas, water and electricity	10,800
General telephone expense	276
Long-distance telephone expense	2,038
Total lump sum categories	33,825
Restricted budget categories:	
OCIS services	7,210
Equipment rental	492
Maintenance of equipment	5,599
Photocopy equipment rental	3,201
Photocopy equipment maintenance	14,559
Total restricted categories	31,061
Mandated categories:	
Law library	2,500
State judicial fund	50,237
Total mandated categories	52,737
Total deductions	117,623
Collections over (under) deductions	15,772
Beginning account balance	67,895
Ending account balance	\$ 83,667

**LORI IRWIN, COURT CLERK
ALFALFA COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND ANALYSIS
JUNE 30, 2007**

Collections:	
Court fund revolving fees	<u>\$ 9,400</u>
Total collections	<u>9,400</u>
Deductions:	
Personal services	1,058
Other	<u>160</u>
Total deductions	<u>1,218</u>
Collections over (under) deductions	8,182
Beginning account balance	<u>9,682</u>
Ending account balance	<u><u>\$ 17,864</u></u>

**LORI IRWIN, COURT CLERK
ALFALFA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2007**

Finding 2007-1— Segregation of Duties (Repeat Finding)

Criteria: Segregation of duties over asset custody, transaction authorization, bookkeeping, and reconciliation are important elements of effective internal control over government assets and resources.

Condition: The limited number of office personnel within the Court Clerk's office prevents a proper segregation of accounting functions, which is necessary to assure adequate internal control structure.

Effect: This condition could result in unrecorded transactions, misstated financial reports, undetected errors or misappropriation of assets.

Recommendation: We recommend management be aware of this condition 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 knowledge of office operations and a periodic review of operations.

Views of responsible officials and planned corrective actions: The Court Clerk concurs with this condition and comment and will endeavor to oversee these functions of her office.

Finding 2007-2— Transfer of Law Library Funds (Repeat Finding)

Criteria: Title 20 O.S. § 1226 states, "In counties having a population of less than three hundred thousand (300,000), the court fund of the county in which a law library is located shall annually transfer to the Law Library Revolving Fund the following amounts:

1. In counties having a population of less than ten thousand (10,000), the sum of Five Thousand Dollars (\$5,000.00)

Condition: For the fiscal year ending June 30, 2007, the court fund did not transfer the amount required by statute to the law library fund. However, they did transfer \$2,500.00.

Effect: The Law Library received only one-half of the amount as authorized by 20 O.S. § 1226.

Recommendation: We recommend the Court Clerk transfer to the Law Library the statutory amount of \$5,000.

Views of responsible officials and planned corrective actions: It was an oversight on the Court Clerk's part, and funds were limited during fiscal year 2007.

**LORI IRWIN, COURT CLERK
ALFALFA COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2007**

Finding 2007-3— Court Fund Claims (Repeat Finding)

Criteria: Effective accounting policies and controls for the Court Clerk are included in Chapter Nine 9-20 Rev 9/1/2007, Duties of the Court Clerk-Finances and Accounting Handbook for Court Clerks of Oklahoma Rev 1/31/2000, which states:

The Court Fund claim (whether hand-written or computerized) should contain the following information:

- The claim number
- The voucher number
- The claimant name and address
- The claim date
- A description of items or services
- The disallowed amount
- The account
- The claim amount
- The claimant's signature
- Notary acknowledgment of claimant's signature
- The signatures of District Judge and Associate District Judge or Court Clerk
- Acknowledgment of supplies and materials

Before a claim can be paid, an invoice or authorization should be obtained and attached to the Court Fund claim. When the voucher has been written to pay the claim, the Court Clerk marks the invoice paid and indicates the date paid.

Condition: The Court Clerk is not completing the court fund claims with the account, claim amount that was approved by the board, and date approved by the board.

Effect: Claims may be paid for amounts not approved by the board.

Recommendation: We recommend the Court Clerk complete Court Fund claims in accordance with the Oklahoma Court Clerk's Handbook for finances and accounting, to properly account for expenses of the Court Fund.

Views of responsible officials and planned corrective actions: The Court Clerk will attempt to obtain the date of approval of the board on each Court Fund claim.



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