

**LINCOLN
COUNTY
COURT CLERK**

**FOR THE PERIOD JULY 1, 2006
THROUGH JUNE 30, 2008**

**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**CINDY KIRBY, COURT CLERK
LINCOLN COUNTY, OKLAHOMA
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2006 THROUGH JUNE 30, 2008**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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September 30, 2010

Cindy Kirby, Court Clerk
Lincoln County Courthouse
Chandler, Oklahoma 74834

Transmitted herewith is the statutory report for the Lincoln County Court Clerk for the period July 1, 2006 through June 30, 2008. 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

**CINDY KIRBY, COURT CLERK
LINCOLN COUNTY, OKLAHOMA
STATUTORY REPORT
JULY 1, 2006 THROUGH JUNE 30, 2008**

TABLE OF CONTENTS

Introductory Information ii

Statutory Report of State Auditor and Inspector 1

Court Fund Account Report for the period July 1, 2006 through June 30, 2007 3

Court Fund Account Report for the period July 1, 2007 through June 30, 2008 5

Court Clerk Revolving Fund Report for the period July 1, 2006 through June 30, 2007 7

Court Clerk Revolving Fund Report for the period July 1, 2007 through June 30, 2008 8

Schedule of Findings and Responses 9

**CINDY KIRBY, COURT CLERK
LINCOLN COUNTY, OKLAHOMA
STATUTORY REPORT
JULY 1, 2006 THROUGH JUNE 30, 2008**

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
State Auditor

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Cindy Kirby, Court Clerk
Lincoln County Courthouse
Chandler, Oklahoma 74834

Dear Ms. Kirby:

We have performed procedures for the period July 1, 2006 through June 30, 2008, 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, 2006 through June 30, 2008, 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 Lincoln 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; Court Clerk Revolving Fund expenditures were properly 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. With respect to Court Clerk Revolving Fund expenditures being properly supported, our finding is presented in the schedule of findings and responses. In addition, we noted a matter of vouchers not being issued in sequential order, and our finding is also presented in the schedule of findings and responses.

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

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

May 13, 2010

**CINDY KIRBY, COURT CLERK
LINCOLN COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
FOR THE PERIOD JULY 1, 2006 THROUGH JUNE 30, 2007**

Collections:

Court fund fines, fees, and forfeitures	\$ 615,623
Cancelled vouchers	1,934
Total collections	<u>617,557</u>

Deductions:

Lump sum budget categories:

Juror expenses	26,195
Trial court attorneys	48,160
Mental health (attorneys)	497
Transcripts - preliminary and trial	2,762
Transcripts - appeals	3,766
General office supplies	3,993
Forms printing	3,302
Publications	397
Postage and freight	8,000
Court reporter supplies	1,257
General telephone expense	1,494
Long-distance telephone expense	594
Other expenses	2,476
Total lump sum categories	<u>102,893</u>

Restricted budget categories:

Maintenance of court area(s)	34,759
Security for court areas	5,443
Furniture and fixtures	3,705
Equipment rentals	1,431
Maintenance of equipment	11,625
OCIS services	19,587
Photocopy equipment rental	2,608
Photocopy equipment maintenance	1,549
Part-time bailiffs	219
Court clerk employees	125,529
Total restricted categories	<u>206,455</u>

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

**CINDY KIRBY, COURT CLERK
LINCOLN COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
FOR THE PERIOD JULY 1, 2006 THROUGH JUNE 30, 2007**

Mandated budget categories:	
Law library	9,000
State judicial fund	<u>287,591</u>
Total mandated categories	<u>296,591</u>
Total deductions	<u>605,939</u>
Collections over (under) deductions	11,618
Beginning account balance July 1, 2006	<u>8,070</u>
Ending account balance June 30, 2007	<u><u>\$ 19,688</u></u>

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

**CINDY KIRBY, COURT CLERK
LINCOLN COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2008**

Collections:

Court fund fines, fees, and forfeitures	\$ 673,654
Cancelled vouchers	1,718
Interest earned on deposits	140
Total collections	<u>675,512</u>

Deductions:

Lump sum budget categories:

Juror expenses	28,332
Trial court attorneys	54,138
Mental health (attorneys)	498
Transcripts - preliminary and trial	976
Transcripts - appeals	1,008
General office supplies	7,132
Forms printing	4,407
Publications	454
Postage and freight	7,841
Court reporter supplies	1,059
General telephone expenses	1,337
Long-distance telephone expense	434
Other expenses	2,017
Total lump sum categories	<u>109,633</u>

Restricted budget categories:

Maintenance of court area(s)	30,095
Security for court areas	7,250
Equipment purchases	518
Equipment rentals	1,908
Maintenance of equipment	12,023
OCIS services	18,746
Photocopy equipment rental	2,581
Photocopy equipment maintenance	1,286
Court clerk employees	133,408
Total restricted categories	<u>207,815</u>

**CINDY KIRBY, COURT CLERK
LINCOLN COUNTY, OKLAHOMA
COURT FUND ACCOUNT REPORT
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2008**

Mandated budget categories:	
Law library	9,000
State judicial fund	341,419
Total mandated categories	<u>350,419</u>
Total deductions	<u>667,867</u>
Collections over (under) deductions	7,645
Beginning account balance July 1, 2007	<u>19,688</u>
Ending account balance June 30, 2008	<u><u>\$ 27,333</u></u>

**CINDY KIRBY, COURT CLERK
LINCOLN COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND REPORT
FOR THE PERIOD JULY 1, 2006 THROUGH JUNE 30, 2007**

Collections:	
Court fund revolving fees	\$ 46,615
Total collections	<u>46,615</u>
Deductions:	
Other	<u>11,341</u>
Total deductions	<u>11,341</u>
Collections over (under) deductions	35,274
Beginning account balance July 1, 2006	<u>72,809</u>
Ending account balance June 30, 2007	<u><u>\$ 108,083</u></u>

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

**CINDY KIRBY, COURT CLERK
LINCOLN COUNTY, OKLAHOMA
COURT CLERK REVOLVING FUND REPORT
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2008**

Collections:	
Court fund revolving fees	\$ 61,276
Total collections	<u>61,276</u>
Deductions:	
Court clerk revolving fund disbursements	<u>24,859</u>
Total deductions	<u>24,859</u>
Collections over (under) deductions	36,417
Beginning account balance July 1, 2007	<u>108,083</u>
Ending account balance June 30, 2008	<u><u>\$ 144,500</u></u>

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

**CINDY KIRBY, COURT CLERK
LINCOLN COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE PERIOD JULY 1, 2006 THROUGH JUNE 30, 2008**

Finding 2007/2008-1 – 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: A lack of segregation of duties exists in the Court Clerk's office for the period July 1, 2006 through June 30, 2008, because one deputy opens the mail, writes the receipts, balances the cash drawer to daily receipts, prepares and takes deposits to the bank, and posts deposits to the cash book. Further, the Court Clerk also performs all accounting functions.

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 actions: Management chose not to respond.

Finding 2007/2008-2 – Cash Vouchers and Claims

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, Court Clerk Revolving Fund cash vouchers should be issued in sequential order and cash voucher numbers should agree with the Court Clerk's records. Court Clerk Revolving Fund cash voucher claims should include a claim number.

Condition: For the period July 1, 2006 through June 30, 2007, Court Clerk Revolving Fund cash vouchers were not issued in sequential order. Court Clerk Revolving Fund cash voucher numbers did not agree to the Court Clerk's records. Out of the sixteen Court Clerk Revolving Fund cash voucher claims issued during the period July 1, 2006 through June 30, 2007, only six claims included a claim number on the claim, and during the period July 1, 2007 through June 30, 2008, none of the Court Clerk Revolving Fund cash voucher claims issued included a claim number on the claim.

**CINDY KIRBY, COURT CLERK
LINCOLN COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE PERIOD JULY 1, 2006 THROUGH JUNE 30, 2008**

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

Recommendation: OSAI recommends management take steps to ensure that Court Clerk Revolving Fund cash vouchers are issued in sequential order, cash voucher numbers agree with the Court Clerk's records, and Court Clerk Revolving Fund cash voucher claims include a claim number.

Views of responsible officials and planned corrective actions: Management chose not to respond.



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