

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT

OF

CLERK OF THE CIRCUIT COURT

LAPORTE COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED
12/22/2006

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Lynne Spevak Robert J. Behler, Jr.	01-01-02 to 12-31-05 01-01-06 to 12-31-09
President of the County Council	John W. Jones Jerry Cooley	01-01-05 to 12-31-05 01-01-06 to 12-31-06
President of the Board of County Commissioners	Marlow Harmon	01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF LAPORTE COUNTY

We have audited the records of the Clerk of the Circuit Court for the period from January 1, 2005 to December 31, 2005, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of LaPorte County for the year 2005.

STATE BOARD OF ACCOUNTS

October 12, 2006

CLERK OF THE CIRCUIT COURT
LAPORTE COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

Officials use a computer system for recording financial transactions. In order to balance each day, officials retrieve daily batches from the computer system and compare these batches to the money received. If they agree the batches are closed. If they do not agree, corrections are determined so the batches can be closed. However batches can be left open for an indefinite period of time, or they can be deleted from the system. Any daily batches that have not been chosen for balancing are left open in the system. This is due to a deficiency in the computer system program. This deficiency allows for batches not to be included in daily balancing and the possibility of batches not ever being included in the balancing of the computer system to the daily receipts.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Court, Chapter 13)

COLLECTION OF FEE BILLS

Case files were noted where a bond was collected that was not enough to cover the assessed court costs and fines. The remainder of the court costs and fines were not pursued for collection.

Within seventy-five (75) days after a judgment is entered in an action, the clerk shall issue an itemized fee bill for the collection of fees that were charged against the party in that action and that remain unpaid. The clerk shall present the fee bill for collection to the sheriff of a county where the debtor party resides or where the debtor party has property.

The sheriff shall:

1. Collect the amount due under the fee bill; and
2. Return the fee bill to the clerk not more than sixty (60) days after the fee bill was issued.

After the fee bill is presented to the sheriff, it has the effect of an execution and operates as a lien upon the real and personal property of the debtor.

A successor of an officer may issue fee bills for the fees of the officer's predecessors in office in the manner provided. A clerk may issue the fee bills of the sheriff or former sheriffs of the county in the same manner. [IC 33-37-4-10]

CLERK OF THE CIRCUIT COURT
LAPORTE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

CHANGE OF VENUE

As stated in prior reports, the County held court for change of venue cases. These cases were not recorded in the "Change of Venue" Record. The County did not bill the other counties for the expenses incurred and paid. The judges have chosen not to issue their expenses, therefore, the claims cannot be submitted to the appropriate county for collection. This results in the County not receiving reimbursements for their expenses incurred in the change of venue cases. The judges should submit their expenses to the Clerk so the Clerk can complete the claim for reimbursement.

Indiana Code 34-2-15-1(a) states in part: "In all cases, civil or criminal or otherwise, where there has been or shall be a change of venue from one (1) county to another, the county in which such cause, either civil, criminal, or otherwise, shall have originated and from which such change of venue shall be taken shall pay to the county to which such change of venue has been or shall be taken all such expenses as shall have been or shall be incurred by the county to which said change of venue shall be taken. . . ."

INTEREST INCOME AND SERVICE FEES

The LaPorte Clerk's office is not posting the interest received from the bank or the service fees charged by the bank into their computer system or cash book. These items are being carried from month to month as reconciling items in their bank reconciliation. The Clerk has not determined the process of posting the interest and fees through their computer system. Since the interest and fees are not being posted, the income is never being quietused to the Auditor's office and posted to the general fund. The Clerk should enter the interest income and service fees into the clerk computer system and cash book.

An official receipt must be issued for interest received to be posted in the cash book. The receipt should also indicate thereon the security (investment) on which the interest was received and, if the security matured, the principal (original cost) of the security for use as a posting media to the daily balance record. The interest should be posted to the interest column in the receipts section of the Cash Book of Receipts and Disbursements. The interest will then be paid to the county treasurer and quietused to the county general fund at the close of the month when fees and other revenues are remitted to the county. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 9)

CLERK OF THE CIRCUIT COURT
LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 25, 2006, with Robert J. Behler, Jr., Clerk.

The contents of this report was sent on October 3, 2006, to Lynne Spevak, former Clerk,