

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

AUDIT REPORT

OF

CLERK OF THE CIRCUIT COURT

PORTER COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

10/09/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk of the Circuit Court	Dale Brewer Pamela Mishler Fish	01-01-04 to 12-31-07 01-01-08 to 12-31-11
President of the County Council	Daniel Whitten Robert Poparad	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	Robert Harper	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDIANAPOLIS, INDIANA 46204-2769

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TO: THE OFFICIALS OF PORTER COUNTY

We have audited the records of the Clerk of the Circuit Court for the period from January 1, 2007 to December 31, 2007, 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 Porter County for the year 2007.

STATE BOARD OF ACCOUNTS

June 19, 2008

CLERK OF THE CIRCUIT COURT
PORTER COUNTY
AUDIT RESULTS AND COMMENTS

CASH NECESSARY TO BALANCE

A reconciliation of the record balance to the bank account balance indicated cash necessary to balance of \$538.66 as of December 31, 2007.

We requested Dale Brewer, the former Clerk of the Circuit Court, reimburse the County \$538.66 for the cash necessary to balance at year end. (See Summary, page 9)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13)

CLERK'S TRUST ACCOUNT

The trust account is property or proceeds held by a court or a court clerk. A monthly reconciliation of the detail of the clerk's trust fund register to the trust cash balance was not presented for audit. The trust fund register has not been reconciled to the trust cash balance since June 2007.

As soon as possible after the cash book and the daily balance record have been closed for the month, the clerk should reconcile the trust fund register with these two records.

Total all items appearing on hand in the trust fund register. This also must be done as of the last day of the month. The total of these items must equal the balance in the trust fund column of the cash book and in the daily balance record.

If there is a difference, an error has been made. It will behoove you to review the work to detect the error and make the necessary correction. Do not leave the books out of balance. If you have been accurate in posting the records daily and have proved each day's transactions, you will not have any difficulty. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 8)

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

BANK ACCOUNT RECONCILIATIONS

Monthly depository reconciliations for November 2007 and December 2007 were not completed as of May 2008. A new clerk took office on January 1, 2008. A review of the January through April 2008 monthly depository reconciliations to the cash book balances were also not completed as of May 2008.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

PRESCRIBED FORMS

As of May 2008, the prescribed Form 46-CR, Monthly Report, had not been prepared since November 2007.

The clerk is required to prepare in quadruplicate a monthly financial report. The report is prepared after the books are closed as of the last day of each month and in accordance with the requirements of Indiana Code 33-32-3-6. Form 46CR is to be used.

The report is made from both the Clerk's Cash Book and Daily Balance Record, Form 46, and bank statements furnished by the designated depositories showing balances as of the last day of each month. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 4)

OFFICIAL BOND

Dale Brewer, former Clerk of the Circuit Court had an official bond in the amount of \$300,000, payable to the State of Indiana, with Ohio Casualty Group covering the period January 1, 2004 to December 31, 2007.

CLERK OF THE CIRCUIT COURT
PORTER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 7, 2008, with Dale Brewer, former Clerk of the Circuit Court. The official response has been made a part of this report and may be found on page 7.

The contents of this report were discussed on July 7, 2008, with Pamela Mishler Fish, Clerk of the Circuit Court; Peggy Crawford, Executive Deputy Clerk; Karin Deedrick, Bookkeeping Clerk; and Bev Powrozek, Bookkeeping Clerk. The official response has been made a part of this report and may be found on page 8.

July 17, 2008

OFFICIAL RESPONSE EXIT CONFERENCE FOR 2007

DALE BREWER

FORMER CLERK OF PORTER COUNTY

161 Bote' Drive

Porter, IN 46304

This is in response to the exit conference reference to balance in the trust account. In mid October 2007 the head bookkeeper in the Clerk's office retired. An existing deputy with a degree in accounting was transferred into the position. She was trained briefly by the outgoing head bookkeeper and had kept in contact with the retired bookkeeper after she left asking questions. This would have been in the last months of my term.

The new bookkeeper transferred what she thought was overage in the bank account of over \$1,100.00, on December 31, 2007 to the Auditor's office. She again transferred without being balanced in February 2008 approximately \$300.00. She was still not balanced at this time. It was placed in the County General Fund under miscellaneous receipts. This should not have been done without balancing the account first. She had no idea at either time what the balance was or what the correct amount of overage was. The new Clerk did not allow enough time to spend trying to find what was wrong not realizing she would not be in balance either. The new bookkeeper was relieved of her position and then left the Clerk's office.

It is my firm belief that the incorrect amount of overage was transferred to the County General Fund and should be rectified by placing a claim payable to the Clerk in the amount of \$538.66 to the County Auditor out of unappropriated funds from the County General Fund, to bring the account in balance for the year 2007. I would also recommend placing a claim for the amounts transferred to the General Fund in February 2008 to be placed back in the Clerk's account until balancing is completed. If this is not done, it is my fear that the new Clerk will also fall short in the trust account.

I believe if given enough time this could have been corrected. As of July 2008 the Clerk's office was still not in balance. There has never been a problem with balancing or reports filed in any previous years of my term. I also believe this is the only solution to help correct the problem and help keep the new Clerk from having the same problem.

Sincerely,

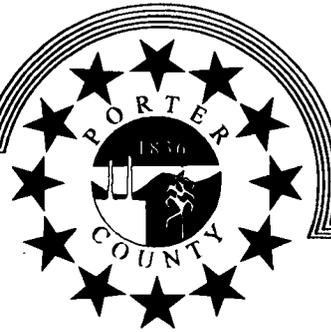


Dale Brewer

COUNTY - PORTER

PAMELA MISHLER FISH

CLERK OF THE CIRCUIT COURT



PORTER COUNTY
CLERK'S OFFICE

COURTHOUSE
16 LINCOLNWAY • SUITE 209
VALPARAISO, INDIANA 46383

TELEPHONE:
(219) 465-3450

July 7, 2008

OFFICIAL RESPONSE

Bruce Hartman-State Board of Accounts
302 West Washington St.
Indianapolis, IN 46204-2765

Dear Mr. Hartman,

The Porter County Clerk's Office received the Exit Conference covering January 1, 2007 to April 30, 2008.

There were three areas of concern. First, the trust account had not been maintained since June of 2007. Second, monthly depository reconciliations for November 2007 through May 2008 had not been done. Third, no monthly Form No. 46-CR reports have been prepared since November 2007.

Our Bookkeeping Department is working on these three issues and we have every intention of complying with the state statutes that regulate that department.

Sincerely,

Pamela Mishler Fish
Porter County Clerk

CLERK OF THE CIRCUIT COURT
PORTER COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Dale Brewer, former Clerk of the Circuit Court:			
Cash Necessary to Balance, page 4	\$ <u>538.66</u>	\$ <u>-</u>	\$ <u>538.66</u>

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AFFIDAVIT

STATE OF INDIANA)
)
LAKE COUNTY)

We, Barbara A. Williams, and Denise M. Sempf, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Clerk of the Circuit Court, Porter County, Indiana, for the period from January 1, 2007 to December 31, 2007, is true and correct to the best of our knowledge and belief.

Barbara A. Williams

Denise M. Sempf
Field Examiners

Subscribed and sworn to before me this 2nd day of October, 2008.

CAROL J. CODY
Notary Public
State of Indiana
My Commission Expires Oct 11, 2014

Carol J. Cody
Notary Public

My Commission Expires: OCTOBER 11, 2014

County of Residence: LAKE