

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

AUDIT REPORT

OF

CLERK OF THE CIRCUIT COURT

HANCOCK COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

11/10/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Sharon Burris	01-01-07 to 12-31-10
President of the County Council	William Bolander	01-01-07 to 12-31-08
President of the Board of County Commissioners	Jack Heiden	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF HANCOCK 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 Hancock County for the year 2007.

STATE BOARD OF ACCOUNTS

October 27, 2008

CLERK OF THE CIRCUIT COURT
HANCOCK COUNTY
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

The internal controls over the reconciling of the Indiana Support Enforcement Tracking System (ISETS) bank account balance to the Clerk of the Circuit Court's ledger balance were insufficient. Prior to this audit period, an error in reconciling occurred and County Officials contacted the ISETS help desk at the Indiana Family and Social Services Administration (FSSA) (now the Indiana Department of Child Services) for assistance. Reconciliation information was turned over to FSSA in 2006, who reconciled ISETS transactions to bank activity through December 2005. No attempts to reconcile the bank account balance to the Clerk of the Circuit Court ledger was done in 2007.

Similar comments appeared in several previous reports.

Indiana Code 5-13-6-1(e) states in part: "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."

CONDITION OF RECORDS

Hancock County, in conjunction with the Indiana Department of Child Services, accounted for child support collections and payments through the Indiana Support Enforcement Tracking System (ISETS) during 2007. As stated in prior Reports B27570 and B30874, the following deficiencies were again identified:

Balances of child support cases include errors resulting from data conversion, information not recorded during the time period from data conversion to system implementation, computer application processing errors and user errors. Subaccount balances of support cases in the files of the County did not always agree with the ISETS balance as a result of these errors. All errors are currently being corrected on a case-by-case basis as they are identified.

As a result, incorrect or missing subaccount balances could cause money to be held in the system, cause checks to be printed to an incorrect payee (the state vs. the custodial parent), cause absent parents' tax refunds to be erroneously intercepted, or result in failure to enforce collection of child support funds.

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.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13)

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

CHANGE OF VENUE

During 2007, the County held court for change of venue cases; however, the County did not bill the other counties for the expenses incurred and paid. Therefore, no revenue was recognized to offset the associated costs. A similar comment appeared in prior Report B30874.

Indiana Code 34-35-5-1 states in part: "In all cases, civil or criminal, or otherwise, where there is a change of venue from one (1) county to another, the county in which the cause originated and from which the change of venue is taken shall pay to the county to which the change of venue is taken all expenses incurred by the county to which the change of venue is taken."

The Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana states the following in Chapter 6:

"PREPARE CLAIM

When all entries have been entered in every record, the clerk should prepare the change of venue claim against the county of origin. The claim will be prepared in duplicate from the change of venue record. If the change of venue record has been properly kept, the clerk will have little difficulty in preparing the claim accurately. Claims should be prepared as soon as each cause is disposed of.

The claim will be made on the form provided for that purpose. It will be prepared in duplicate and must be signed by the judge and the clerk and issued under the seal of the court.

CONTENTS

The claim will show the cause number in the county of trial; title of cause; name of the county of trial; name of county or court of origin; date of filing in county of trial; date of judgment; date of trial; number of days; a brief entry of all proceedings showing the calendar date of each proceeding and the order book reference thereto; a statement of all the chargeable items and amounts of expense incurred in the county of trial. All of this information will be taken from the change of venue record.

The claims will contain an order, signed by the judge, for the auditor of the county of origin to issue his warrant upon the treasurer of said county in favor of the county of trial.

FILE WITH AUDITOR

When the claim is properly completed, signed and sealed, the clerk will enter in the change of venue record the date and amount of the claim certified to the auditor and deliver the claim in duplicate to the local county auditor who shall retain one (1) of said certificates of allowance in his or her office and mail by certified mail the duplicate thereof to the auditor of the county in which such cause originated and from which such expenses are due."

CLERK OF THE CIRCUIT COURT
HANCOCK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 27, 2008, with Sharon Burris, Clerk. The official concurred with our audit findings.