

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

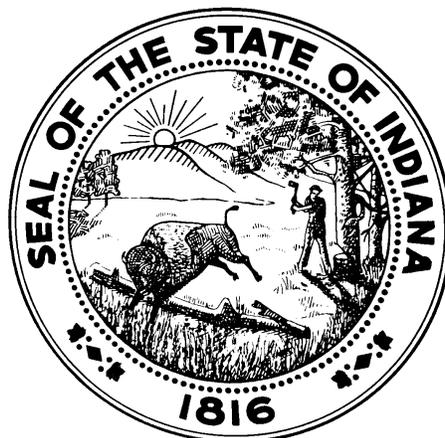
AUDIT REPORT

OF

CLERK OF THE CIRCUIT COURT

OWEN COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED

07/28/2009

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Harley E Melton	01-01-07 to 12-31-10
President of the County Council	Michael L. Wood	01-01-08 to 12-31-09
President of the Board of County Commissioners	Wiley Truesdel George Jennings	01-01-08 to 12-31-08 01-01-09 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF OWEN COUNTY

We have audited the records of the Clerk of the Circuit Court for the period from January 1, 2008 to December 31, 2008, 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 Owen County for the year 2008.

STATE BOARD OF ACCOUNTS

April 23, 2009

CLERK OF THE CIRCUIT COURT
OWEN COUNTY
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not in agreement December 31, 2008. The bank account was \$24,245 short compared to the fund balance. Numerous bookkeeping errors were made posting to the fund balance. The County Clerk was informed that any cash short at the conclusion of his term may be his personal responsibility.

IC 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."

RECONCILIATION OF TRUST

A reconciliation was not completed for 2008 between the cash balance in the bank to either the trust control or trust detail.

At all times, the manual and 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, Chapter 13)

CLERK'S TRUST ITEMS OVER FIVE YEARS OLD

Our review of trust items on hand revealed that many items had been on hand for a period of five years or longer.

IC 32-34-1-20(c)(6) states in part: "For property or proceeds held by a court or a court clerk, five (5) years after the property or proceeds becomes distributable. The property or proceeds must be treated as unclaimed property under 32-34-3."

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

INTERNAL CONTROLS

As stated in the prior Report B32491, controls over the disbursing and accounting for the financial activities were insufficient. The electronic software system allows check numbers to be changed from what the system had originally sequentially assigned to another number assigned by office personnel during the processing of manually generated checks. As a result, check numbers can be used multiple times. In addition, manually generated checks have two numbers printed on their face; one assigned by the software and one entered manually by office personnel. The bank uses the computer assigned number while the system uses the manually entered number making it nearly impossible to tie bank records to the system.

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 Circuit Courts, Chapter 13)

PRESCRIBED FORM

The following prescribed or approved form was not in use:

Form 40 Change of Venue Record.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Clerks of Circuit Courts of Indiana, Chapter 13)

CLERK OF THE CIRCUIT COURT
OWEN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 23, 2009, with Michael L. Wood, President of County Council; George Jennings, President of the Board of County Commissioners; Wiley Truesdel, County Commissioner; and Harley E Melton, Clerk.