

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

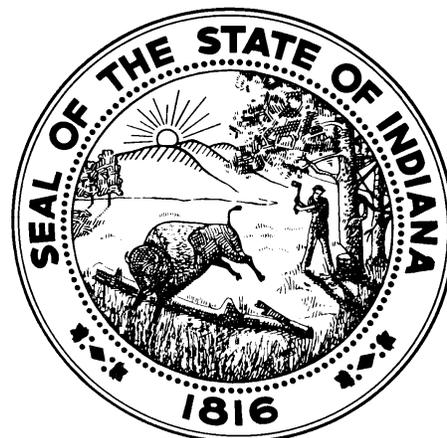
AUDIT REPORT

OF

CLERK OF THE CIRCUIT COURT

LAPORTE COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED

11/25/2009

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Robert J. Behler, Jr. Bette L. Conroy	01-01-06 to 03-17-08 03-18-08 to 12-31-12
President of the County Council	Mark Yagelski	01-01-08 to 12-31-09
President of the Board of County Commissioners	William Hager Barbara Houston	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 LAPORTE 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 LaPorte County for the year 2008.

STATE BOARD OF ACCOUNTS

October 6, 2009

CLERK OF THE CIRCUIT COURT
LAPORTE COUNTY
AUDIT RESULTS AND COMMENTS

COMPUTER SYSTEM CONTROLS

The Clerk's offices use a Manatron 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 program which then allows for batches not to be included in daily balancing and the possibility of batches never being included in balancing 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 the law 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 Courts of Indiana, Chapter 13)

ISETS ACCOUNT RECONCILEMENTS

The Clerk receives and disburses child support as mandated by the State of Indiana using computer software (ISETS) provided by the State of Indiana. This computer software provides reports on collections, disbursements, and balances, as well as reports of checks outstanding. Additionally, there is a bank account reconciling function. In November 2005, the person the Clerk assigned the reconciling duties over this area resigned. Since that date, no one has reconciled the support accounts and ledgers.

IC 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."

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 Court, Chapter 13)

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

CHANGE OF VENUE

As stated in prior audits, 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 report the expenses and, therefore, the claims cannot be submitted to the appropriate County for collection. This action results in the County not receiving reimbursements for their expenses incurred in the change of venue cases.

IC 34-35-5-1 states: "In all cases, civil, 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."

INTEREST INCOME AND SERVICE FEES

The Clerk's Office (located in the City of LaPorte) is not posting interest received from the bank or service fees imposed by the bank to the ledgers. These items are being carried from month to month as reconciling items in their bank reconciliation. Since the interest and fees have not been posted, the income, net of service fees, has never been remitted to the Auditor's office for receipt to the General Fund as required.

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 interest should be deposited 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 each month when fees are remitted to the county. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 9)

All documents and entries to the records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13 and Chapter 15)

CLERK OF THE CIRCUIT COURT
LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 6, 2009, with Bette L. Conroy, Clerk. The official concurred with our audit findings.

The contents of this report were discussed on October 27, 2009, with Craig Hinchman, Auditor; Barbara Huston, President of the Board of County Commissioners; and Rich Mrozinski, Jr., Vice President of the County Council.