

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

EXAMINATION REPORT
OF
CLERK OF THE CIRCUIT COURT
JENNINGS COUNTY, INDIANA
January 1, 2008 to December 31, 2008



FILED
02/11/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Examination Results and Comments:	
Condition of Records	4
Old Outstanding Checks.....	4-5
Funds Held in Trust (Trust Register)	5
Clerk's Trust Over Five Years Old.....	5
Exit Conference.....	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Ronald E. Bloemer	01-01-07 to 12-31-10
President of the County Council	Edward L. Maschino Howard Malcomb	01-01-08 to 12-31-09 01-01-10 to 12-31-10
President of the Board of County Commissioners	Richard B. Schneider Jeffery S. Day	01-01-08 to 12-31-08 01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF JENNINGS COUNTY

We have examined 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 Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Jennings County for the year 2008.

STATE BOARD OF ACCOUNTS

December 7, 2009

CLERK OF THE CIRCUIT COURT
JENNINGS COUNTY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The Clerk's Cash Book and Daily Balance Record (Form 46), prescribed as a summary of the cash book of receipts and disbursements, was not in use. A computer generated form, Clerk's Cash Book, and a monthly summary spreadsheet prepared by the Deputy Clerk was used in lieu of Form 46; however, the following deficiencies were noted:

1. The Clerk's Cash Book contained daily receipt and disbursement totals, but did not contain beginning and ending daily balances of each of the state and county fees collected or the trust items on hand.
2. Neither of the forms in use contained the "Daily Cash Reconciliation" section that is a required part of prescribed Form 46.
3. The monthly summary spreadsheet contained monthly receipt, disbursement and balance totals; however, in 10 of the 12 months reviewed, the beginning balances for the month for either the Trust Funds or Fees Due State did not agree to the prior month's ending balance.

The Deputy Clerk stated that she adjusted the beginning balances in order to reconcile the month-end record balance to the month-end bank balance, instead of researching and identifying the reasons that the record balance did not agree to the bank balance.

Based on our comparison of bank transactions to receipts and disbursements posted to the records, the adjustments made by the Deputy Clerk were a result of posting errors. The posting errors included a trust item of \$176,587, which was not posted to the records, three instances of voided checks included in disbursement totals, two instances of duplicate posting of receipts, and two instances of duplicate posting of disbursements.

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)

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 the Circuit Courts of Indiana, Chapter 13)

OLD OUTSTANDING CHECKS

Our review of the bank reconciliations as of December 31, 2008, revealed checks outstanding in excess of two years.

CLERK OF THE CIRCUIT COURT
JENNINGS COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

IC 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

IC 5-11-10.5-5(b) states: "If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

FUNDS HELD IN TRUST (TRUST REGISTER)

The trust fund balance (control account) as shown in the Cash Book was \$32,714.15 more than the total of the detail of outstanding items shown in the Trust Register at December 31, 2008.

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)

A similar comment was included in prior Reports B30403 and B32043.

CLERK'S TRUST ITEMS OVER FIVE YEARS OLD

A review of trust items on hand showed numerous items had been on hand for a period of five years or longer.

IC 32-34-1-20 (c) states in part:

"Property that is held, issued, or owed in the ordinary course of a holder's business is presumed abandoned if the owner or apparent owner has not communicated in writing with the holder concerning the property or has not otherwise given an indication of interest in the property during the following times: . . .

- (6) 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 IC 32-34-3."

A similar comment was included in prior Reports B30403 and B32043.

CLERK OF THE CIRCUIT COURT
JENNINGS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 7, 2009, with Ronald E. Bloemer, Clerk of the Circuit Court. The official concurred with our findings.