

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

AUDIT REPORT

OF

CLERK OF THE CIRCUIT COURT

HAMILTON COUNTY, INDIANA

January 1, 2009 to December 31, 2009



FILED

08/13/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Result and Comment: Fees Due From Individuals and Companies	4-5
Exit Conference.....	6
Official Response	7-8

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Peggy Beaver	01-01-08 to 12-31-10
President of the County Council	Judy Levine Meredith Carter	01-01-09 to 12-31-09 01-01-10 to 12-31-10
President of the Board of County Commissioners	Steven A. Holt Steven C. Dillinger	01-01-09 to 12-31-09 01-01-10 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 HAMILTON COUNTY

We have audited the records of the Clerk of the Circuit Court for the period from January 1, 2009 to December 31, 2009, 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 Result and Comment. The financial transactions of this office are reflected in the Annual Report of Hamilton County for the year December 31, 2009.

STATE BOARD OF ACCOUNTS

May 26, 2010

CLERK OF THE CIRCUIT COURT
HAMILTON COUNTY
AUDIT RESULT AND COMMENT

FEES DUE FROM INDIVIDUALS AND COMPANIES

The County has an ordinance authorized by IC 33-37-5-1 and IC 5-14-3-8(g) that allows the Clerk of the Circuit Court (Clerk) to charge fees for making copies and microfiche copies. Also, the courts have a policy that allows the Clerk to receive facsimiles (fax) transmissions of up to ten pages per transmission at a charge of \$1 per page to the individual or company, sending the fax. This policy also allows the person or company sending the fax up to 30 days to pay the charges. If the fax charges are not paid within thirty days, that individual or company will no longer have the privilege to send faxes to the Clerk.

In most instances the above-mentioned fees are not paid at the time the copies are made or the faxes are received by the Clerk. The court policy does allow, as indicated above, for the fax fees to be paid within 30 days of the day sent, but the ordinance establishing the charge for the copies and the authorizing Indiana Codes do not allow this practice.

The total receivable amount outstanding for fax, copy, microfiche fees at December 31, 2009, was \$8,732.00. There is not a separation of this receivable amount between the fees for faxes, copies, and microfiche included. The total receivable in excess of 30 days was \$2,898.50. There was no current analysis being made to determine what portion of this amount is for fax charges and the Clerk's office has not removed the privilege to send faxes to any individual or company.

The Clerk is using a software program to track the amounts due from these individuals or companies; however, the software in use allows changes to an entry without providing an audit trail that the transaction was changed. The controls in this software are deficient and do not meet the control standards for information systems. Transactions can be changed after the date of entry without an audit trail to track the change.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Clerks, Chapter 13)

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

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for County Clerks, Chapter 13)

Software should provide extensive editing of data and change capability upon input and before a transaction is posted to an account, but no ability to change data after it is posted. If an error is discovered after the transaction is posted, a separate correcting transaction must be made. (Accounting and Uniform Compliance Guidelines)

IC 33-37-5-1(c) states:

"The legislative body of a county may adopt by ordinance a schedule of document fees to be collected by a clerk under this section. If an ordinance has been adopted, the clerk shall collect document fees according to the schedule. However, the document fee collected by the clerk under this subsection may not exceed one dollar (\$1) per legal size or letter size page, including a page only partially covered with writing."

IC 5-14-3-8(g) states in part:

". . . for providing a duplicate of a computer tape, computer disc, microfilm, or similar or analogous record system containing information owned by the public agency or entrusted to it, a public agency may charge a fee uniform to all purchasers . . ."

Documentation should exist for all efforts made by the governmental unit to collect amounts owed prior to any write-offs.

Officials or employees authorizing, directing or executing write-offs or adjustments to records which are not documented or warranted may be held personally responsible. (Accounting and Uniform Compliance Guidelines Manual for County Clerks, Chapter 13)

CLERK OF THE CIRCUIT COURT
HAMILTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 26, 2010, with Peggy Beaver, Clerk. The official response has been made a part of this report and may be found on pages 7 and 8.

Hamilton County
Clerk of Courts
Peggy Beaver

One Hamilton County Square, Suite 106 Noblesville, Indiana 46060
(317) 776-9629

State Board of Accounts
302 West Washington Street
Room E 418
Indianapolis, In 46204-2765

July 26, 2010

To whom it may concern,

This letter is in reference to the Audit that was preformed within my department in May of 2010, for the calendar year 2009. I am sending this official response so that it may be included with the final Audit report.

As stated in the Audit report, there are 3 issues that the field examiner found within my department that she is requesting changes to be made, so as to conform to State Board of Accounts guidelines.

The first concern was with software that was being used by my department to track balances for fax filing and copy fees. This software was implemented and used at least 15 years prior to me being elected Hamilton County Clerk of Courts. This software was used just as a tracking method. No payments were ever processed through this system. Payments and receipts were processed through our Case Management System that was approved by State Board of Accounts.

As soon as I was made aware this system was not State Board of Accounts approved, I ceased using it that very same day and will not use it in the future.

The second concern that was brought to my attention was the fact that I was allowing copies to be made within my department and allowing some customers to pay at a later date, other than at the time of service. I was unaware that this practice was not conforming to State Board of Accounts guidelines. This again, has been a practice within this office since I came to work here, which was in 1985, well over 25 years, and well before I became the Clerk in 2008. As it states in the Audit, our county has an ordinance authorized by IC 33-37-5-1 and IC 5-14-3-8(g) that allows the Clerk of the Circuit Court

to charge fees for making copies and microfiche copies. I have read this code, but still am finding nothing that tells me that the Clerk is required to collect at the time of service. As soon as I was made aware of this, upon the direction of the State Board of Accounts field examiner, I immediately implemented a plan that conforms to the guidelines that are to be followed. I gave written notice to attorneys, title searchers and anyone that may make copies on a regular basis within my office. I also posted notices on all the copiers to inform everyone about the new policy. The policy which states all copies will need to be paid for at the time of service, will be implemented August 1, 2010. This policy will remain in force until the end of my term.

The third issue concerned fax filing. We have a local rule in our county that allows the Clerk to accept fax filings and that those fax filings are required to be paid within 30 days from the date of the filing. If fax filings are not paid within the 30 day period, faxing privileges are to be terminated. I am making every effort to collect any and all outstanding fax filing debt. More concentration and enforcement is being implemented on collecting these fees within the 30 day period. If payment is not made within this time, then a notice will be sent to the Judge of that court for direction, and all fax privileges will be discontinued.

In summary, I have made every attempt to conform to State Board of Accounts guidelines from the first day that I was notified of their concerns. I have reduced the outstanding debt considerably since May and will make every effort to collect all of the outstanding debt to date. I feel that since all of these practices were in place for many years before I became Clerk, that a warning would have been appropriate instead of the write up that I received. I do have a lot of respect for my position and do not take things lightly regarding my job and my responsibilities.

Thank you for the opportunity to defend my position.

A handwritten signature in cursive script that reads "Peggy Beaver". The signature is written in dark ink and is positioned above the typed name.

Peggy Beaver
Clerk of Courts
Hamilton County, Indiana