

**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, 2009 to December 31, 2009



**FILED**

09/15/2010



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Shari Burris	01-01-07 to 12-31-10
President of the County Council	William Bolander	01-01-09 to 12-31-10
President of the Board of County Commissioners	Derek Towle	01-01-09 to 12-31-10



**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, 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 Results and Comments. The financial transactions of this office are reflected in the Annual Report of Hancock County for the year 2009.

STATE BOARD OF ACCOUNTS

July 19, 2010

CLERK OF THE CIRCUIT COURT  
HANCOCK COUNTY  
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

A comparison of the Clerk of the Circuit Court's records to the various bank accounts indicated there was \$14,420 more in the bank than accounted for on the records at December 31, 2009.

The Clerk of the Circuit Court has two computer systems. The older of the two systems was kept operational while the newer system was being implemented. A reconciliation of the ledger balance in the old system to the bank account balance has not been performed for several years. Procedures were implemented in 2008 to clear this account, but some of the money could not be identified or traced to the individual parties.

A similar comment appeared in prior Report B35527.

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 Clerk's office personnel 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. Also, in 2008 the County hired a consultant who reconciled ISETS transactions to bank activity through November 2006. Further attempts to reconcile the bank account balance to the Clerk of the Circuit Court ledger balance have not been attempted. Similar comments have appeared in several previous reports.

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 Courts of Indiana, Chapter 13)

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)

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 bank statements provided by the respective depositories."

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

DUPLICATE SUPPORT CHECKS

The Clerk of the Court issued duplicate child support checks that were listed as still outstanding. It was later discovered that 27 checks that were issued in 2009 were issued in error as the original checks had been cashed but never indicated as cleared in the ISETS computer system. As of June 1, 2010, the required information had not been provided to the Hancock County Prosecuting Attorney's office.

IC 33-32-4-6 states:

"If the state central collection unit or the clerk improperly disburses funds in the manner described by section 5 of this chapter, the state central collection unit or the clerk shall do the following:

- (1) Deduct the amount of funds improperly disbursed from fees collected under IC 33-37-5-6.
- (2) Credit each account from which funds were improperly disbursed with the amount of funds improperly disbursed under section 5 of this chapter.
- (3) Notify the prosecuting attorney of the county of:
  - (A) the amount of the improper disbursement;
  - (B) the person from whom the amount of the improper disbursement should be collected; and
  - (C) any other information to assist the prosecuting attorney to collect the amount of the improper disbursement.
- (4) Record each action taken under this subsection on a form prescribed by the state board of accounts."

CLERK OF THE CIRCUIT COURT  
HANCOCK COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 19, 2010 with Shari Burris, Clerk.