

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, 2009 to December 31, 2009



FILED

01/04/2011

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Bette L. Conroy Lynn Spevak	03-31-08 to 12-31-09 01-01-10 to 12-31-13
President of the County Council	Mark Yagelski	01-01-09 to 12-31-10
President of the Board of County Commissioners	Barbara Huston	01-01-09 to 12-31-10



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, 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 LaPorte County for the year 2009.

STATE BOARD OF ACCOUNTS

August 17, 2010

CLERK OF THE CIRCUIT COURT
LAPORTE COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS - CLERK'S COMPUTER SYSTEM

Officials use the 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)

BANK ACCOUNT RECONCILIATIONS

The County Clerk receives and disburses child support 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. The employee responsible for reconciling this account resigned in November 2005 and no one was assigned this duty. Therefore, the child support account has not been reconciled since October 31, 2005. The current Clerk is attempting to reconcile ISETS beginning with November 2005.

In addition, the Michigan City County Clerk's reconciliation of the fund balances to the bank account balances at December 31, 2009, did not agree. The bank balance exceeded the fund balance by \$1,448. The officials were unaware that the records did not reconcile to the depository balances. They indicated that they lacked the training as to how to accurately perform the reconciliation.

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

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."

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)

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 their expenses; therefore, the claims cannot be submitted to the appropriate counties for collection. This resulted 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."

CLERK OF THE CIRCUIT COURT
LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 17, 2010, with Lynn Spevak, Clerk. The official concurred with our audit findings.