

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

EXAMINATION REPORT
OF
CLERK OF THE CIRCUIT COURT
SCOTT COUNTY, INDIANA
January 1, 2009 to December 31, 2009



FILED
02/25/2011

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Frances Satterwhite	01-01-09 to 12-31-12
President of the County Council	Thomas A. Herald	01-01-09 to 12-31-09
	Donnie Richie	01-01-10 to 12-31-10
	Mike Zollman	01-01-11 to 12-31-11
President of the Board of County Commissioners	Mark Hays	01-01-09 to 12-31-09
	Robert C. Tobias	01-01-10 to 12-31-10
	Larry Blevins	01-01-11 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF SCOTT COUNTY

We have examined 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 Examination Results and Comments. The financial transactions of this office are reflected in the Annual Report of Scott County for the year 2009.

STATE BOARD OF ACCOUNTS

January 12, 2011

CLERK OF THE CIRCUIT COURT
SCOTT COUNTY
EXAMINATION RESULTS AND COMMENTS

OPTICAL IMAGES OF CHECKS AND DEPOSIT SLIPS

The financial institution did not return the actual cancelled warrants and deposit slips with the monthly bank statements, but instead returned only an optical image of the front side of the warrants and deposit slips.

IC 5-15-6-3(a) concerning optical imaging of checks states in part:

". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

Further, IC 26-2-8-111(a) and (e) state:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise: and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

OLD OUTSTANDING CHECKS (WARRANTS)

Our review of the bank reconcilements as of December 31, 2009, revealed outstanding checks in excess of two years.

The Clerk should not allow checks to remain outstanding for an unreasonable length of time. Checks mailed and returned because of the inability of delivery to the payee or checks remaining outstanding in excess of two years should be receipted to the cashbook as an item of trust and reinstated in the register of trust in the name of the payee.

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

If the payee does not thereafter claim their money and the money is not related to child support, such amount must be held in trust for five years and paid over to the Attorney General pursuant to the requirements of Indiana Code 32-34-3. All money related to child support that remains in the office of the clerk should be posted in the ISETS system. Child support monies that are not claimed should not be posted to Trust. All money related to child support that remains in the office of the clerk for a period of five years after being distributable without being claimed shall be collected by the Attorney General. (Accounting and Uniform Compliance Guidelines Manual for Clerk of the Circuit Court, Chapter 8)

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."

A similar comment was reported in the prior Report B35839

RECORD INFORMATION

The following items were noted with the keeping of records by the Clerk of the Circuit Court:

1. The Cash Book Trust balance was \$3,585.77 less than the Trust Detailed Book balances at December 31, 2009.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balances should agree. If the reconciled record balance is less than the subsidiary or control ledger, then the responsible official or employee may be held responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Manual for Counties of Indiana, Chapter 13)

2. Records presented for examination of Trust funds on hand at December 31, 2008, did not indicate the date funds were received and therefore, it could not be determined if any trust funds on hand were more than five years old.

IC 32-34-1-20(c)(6) states in part:

"For property or proceeds held by a court or a court clerk, five (5) years after the property or proceeds become distributable. The property or proceeds must be treated as unclaimed under 32-34-3."

A similar comment was reported in the prior Reports B33844 and B35839.

CLERK OF THE CIRCUIT COURT
SCOTT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on January 12, 2011, with Frances Satterwhite, Clerk; Robert L. Kendall, First Deputy; Patricia D. Hall, Bookkeeper; and Tammy Y. Yocum, Bookkeeper.