

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

AUDIT REPORT

OF

CLERK OF THE CIRCUIT COURT

PARKE COUNTY, INDIANA

January 1, 2010 to December 31, 2010



**FILED**  
09/02/2011



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Kimberly Shorter Diana Hazlett	01-01-07 to 12-31-10 01-01-11 to 12-31-14
President of the County Council	James A. Rahn	01-01-10 to 12-31-11
President of the Board of County Commissioners	George Nicholas	01-01-10 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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STATE BOARD OF ACCOUNTS  
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TO: THE OFFICIALS OF PARKE COUNTY

We have audited the records of the Clerk of the Circuit Court for the period from January 1, 2010 to December 31, 2010, 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(s) and Comment(s). The financial transactions of this office are reflected in the Annual Report of Parke County for the year 2010.

STATE BOARD OF ACCOUNTS

April 21, 2011

CLERK OF THE CIRCUIT COURT  
PARKE COUNTY  
AUDIT RESULT(S) AND COMMENT(S)

**REPORTING – CHILD SUPPORT ENFORCEMENT**

The Clerk of the Circuit Court and the Prosecuting Attorney are required to file the Monthly Reimbursement Claim for Title IV-D Expenditures no later than the 10th of the following month. Five of the twelve reports for the Clerk of the Circuit Court and two of the twelve reports for the Prosecuting Attorney for 2010 were not filed timely.

State Form 24220 (R5/12-99)/FM 0920, Monthly Reimbursement Claim for Title IV-D Expenditures, states in part: "Instructions: Submit completed form with State Form 24221/FM 0919 Incentive Fund Only to DCS at the address listed above by the 10th of the month."

**PRESCRIBED FORMS**

The County Form 40 - Change of Venue Record was not used in the manner prescribed. This form was used when Parke County was the originating county. The change of venue record should only be used when the county receives a venued case per Chapter 6 of the Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Court.

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 County Auditors of Indiana, Chapter 14)

**RECONCILIATION OF SUBSIDIARY LEDGERS**

Reconcilements were not made between the subsidiary ledgers and the control account for Trust Funds in the Clerk of the Circuit Court's office. At December 31, 2010, the detail was \$1,272 more than the control. A similar comment was included in the prior Reports B32535, B35019, and B37989. The necessary adjusting entries were made to correct the control ledger subsequent to this audit.

At all times, the manual and 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)

**CONDITION OF RECORDS**

The following deficiencies relating to the recordkeeping, were present during our period of audit:

1. Subsidiary ledger for the Old Trust did not reconcile to the control balance.

At all times, the manual and 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)

CLERK OF THE CIRCUIT COURT  
PARKE COUNTY  
AUDIT RESULT(S) AND COMMENT(S)  
(Continued)

2. There were posting errors consisting of receipts not being deposited and partial payments on infractions not entered into the computer system. Unpaid infractions were not reported to the Bureau of Motor Vehicles as required.

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, Chapter 13)

3. There were numerous records that were disposed of in the County's dumpster without the Clerk following the procedures for destruction of public records. The notice of destruction or request for destruction of public records forms were not completed for the records in the dumpster. Therefore, notice was not provided by the filing of these forms with the County Commission on public records or the Indiana Commission on Public Records as required by Indiana Code and the procedures established by the Indiana Commission on Public Records.

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Supporting documentation such as receipts, canceled checks, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts, Chapter 15)

***NONFEASANCE, RECEIPTS NOT DEPOSITED***

Three receipts written in the Clerk of the Circuit Court's office could not be traced to a bank deposit. They are the following:

<u>Date</u>	<u>Receipt Number</u>	<u>Dollar Amount</u>
June 30, 2010	75805	\$ 25
July 13, 2010	75810	214
July 22, 2010	75817	50

Indiana Code 5-13-6-1(c) states:

"Except as provided in subsection (d), all local officers, except township trustees, who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the several local boards of finance that have jurisdiction of the funds. The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month. Public funds deposited under this subsection shall be deposited in the same form in which they were received."

CLERK OF THE CIRCUIT COURT  
PARKE COUNTY  
AUDIT RESULT(S) AND COMMENT(S)  
(Continued)

Kimberly Shorter, former Clerk, reimbursed the County \$289 for receipts that were not deposited.  
(See Summary, page 13)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts, Chapter 13)

***BOND COVERAGE***

The following is information based on a Crime Insurance Policy which was presented for our audit:

Company: Westfield Companies  
Type of Coverage: Government Crime Policy  
Period of Coverage: 02-13-09 to 02-13-12  
Amount of Coverage: \$75,000

CLERK OF THE CIRCUIT COURT  
PARKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 21, 2011, with Pam Adams, County Auditor; Diana Hazlett, Clerk; and George Nicholas, President of the Board of County Commissioners. The officials concurred with our audit findings.

The contents of this report were discussed on April 21, 2011, with Kimberly Shorter, former Clerk. The official response has been made a part of this report and may be found on pages 8 through 12.

## **“OFFICIAL RESPONSE”**

May 26, 2011

To: State Board of Accounts  
302 West Washington Street, Room E 418  
Indianapolis, IN 45204-2765

IN RE: Kim Shorter, Former Clerk of Parke County, Indiana  
Audit Results and Comments

### **A. RECONCILIATION OF SUBSIDIARY LEDGERS:**

**ANSWER:** There are three separate banking accounts in the Parke County Clerk's Office:

1. ISETS-Child Support,
2. JTAC-New computerized Court Administration System and Trust Account opened June 1, 2009, and
3. Trust-Old manual accounts.

The ISETS Child Support and JTAC Court Administration/Trust accounts were balanced as of November 2010 before my leaving the office. As for the December 2010 bank reconciliations, I had not received those from the banking institutes prior to my departure from the office. December was the only month I had not personally reconciled, I had offered to the incoming Clerk to reconcile December but was never called to do it or help her out.

The old Trust Account I spend four years working on cleaning up as the prior Clerk, Sue Woody had thrown all of the 2003, 2004 and 2005 bank statements, checkbooks and receipt books in the County dumpster. The County Treasurer Mary Alice Gregg's husband, Phillip Gregg, discovered this the weekend before my taking the office.

I climbed into the dumpster and retrieved what I could. A few months later, it was discovered that the Chief Deputy Debbie Cory had four of the checkbooks for the year of 2006 at her home. She returned those to the office, stating she had been working with them and forgot she had them at home.

In 2008, I turned over to the Auditor from a savings account for the Clerk's Office, which I could find no record of what these monies were for in the amount of \$16,006.27. There was money dating back to the early 1990's being held in this Trust Account. I was unsure about sending these funds to the Attorney General because of posting errors and I could not be sure what had or had not already been paid out.

In 2009, I rechecked all my records by going over every receipt for 2007, 2008 and 2009 and every check written during my term. Correcting any posting errors, talking with State Board of Accounts before mailing some \$24,000.00 to the Attorney General. Being unsure of previous records, I held on to \$50,000.00 of old postings of the funds that had been put into a CD several years earlier until the CD matured in 2010. I told State Board of Accounts that the CD could be turned in at that time and the rest of the funds sent to the Attorney General. In order to balance the Trust Account in the 2009 Audit, I requested from the Auditor \$5,603.97 from the \$16,006.27 that I turned over back in 2008.

In November 2010, my Chief Deputy Lynn Camerer discovered a balance on a \$7,000.00 bond from 2007 that she had mistakenly forgot to record. Only \$5,445.00 of it had been returned to the Defendant. The balance of \$1,500.00 was to be held until the Court decided whom the funds were too paid out to. Deputy Camerer received that order in November 2010. I sent a memorandum to the Auditor and State Board of Accountant, John Ireland about the problem. A copy of the memorandum is attached as Exhibit "A". That left a balance of \$8,903.30 of the savings account that the Auditor is still holding with no record of what the money was for.

#### **B. CONDITION OF RECORDS:**

**ANSWER (2):** There is not enough information described on what considerable number of posting errors this report is referring to other than the three receipts shown to me under MALFEASANCE, MISFEASANCE OR NONFEASANCE.

As to the unpaid ticket information not being reported to the Bureau of Motor Vehicles. These were infraction for the years 2008 and 2009. There were done later due to the new computerized system "JTAC". The Clerk's Office was not computerized before the JTAC system and my three Deputy Clerks had to go through extensive training to learn the new system while keeping up with the daily incoming work. The steps involved listing traffic tickets was quite involved.

**ANSWER (3):** The records referred to in the reports that were disposed of in the County dumpster were election material for 2001 through 2006. Which consisted of materials and equipment pierced belonging to the election machines from VTI (Voting Technologies Incorporated) that the County had purchased earlier and the company had gone bankrupt and what remained stored at the Court House was no longer useful. The Parke County Commissioners donated the machines to Turkey Run School Corporation in 2008 to use as computers.

I had called the Election Division and asked if I could get rid of this and they informed me I only had to hold onto election materials for 22 months. Attached is a copy from

Page 80 of the Elections Administrator's Manuel on destruction of materials. Materials from the old punch card systems were also disposed of.

I called the State Public Records Commission and was told two years or what the County Retention Schedule adopted. I informed them I did not have a recent schedule and they said to by whatever the last adopted schedule said, which was two years. To make room for the present materials, I disposed of the old. A copy of the Retention of Election Records is attached as Exhibit "B".

The receipt book for the time period of January 2010 to June 2010 was at the Clerk's Office when my term ended.

**MALFEASANCE, MISFEASANCE OR NONFEASANCE:**

**ANSWER:**

The three receipts reported here were written by Deputy Nichole Crum, Chief Deputy Lynn Camerer and Deputy Angela Smith involving traffic tickets that were not turned in to the Clerk's Office by the arresting officer or Prosecutor by the Defendants court date. The funds were collected by the Deputy Clerks and held until the tickets could be located. I do not believe that any of my Deputy Clerk's would take the money. They could very well have posted the payment to the wrong case number or wrong Defendant's name which has happened. Then discovered at a later date and corrected.

Submitted this 26<sup>th</sup> day of May, 2011.

Kim Shorter  
4103 South Shorter Road  
Rockville, IN 47872  
765-569-1535

# KIM SHORTER, CLERK PARKE COUNTY

## MEMORANDUM

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TO: John Irelan

FROM: Kim Shorter, Clerk

DATE: December 17, 2010

RE: Bond Money

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When auditing the books for 2009 and to bring the books to balance, the auditor was requested to refund to my office \$5,603.97 from the total \$16,006.27 turned over to the Auditor to hold from a savings account in the Clerk's office.

There was a balance of \$1500.00 on a bond posted October 29, 2007, the bond was for \$6945.00 and \$5445.00 was disbursed back to the defendant on March 4, 2008. The \$1500.00 balance on the bond was to be held till determined by the Court what fees were to be paid. That order came through on November 8, 2010 stating the remainder was for Drug Court and Drug Screens. The balance of the bond was not marked, and was over looked. Therefore there is now a shortage of \$1500.00 in the old Trust account.

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### DISTRIBUTED THIS DATE TO:

State Board of Accounts

Diana Hazlett – Parke County Auditor

## RETENTION OF ELECTION RECORDS

The "general rule" for all election records is to retain the record for at least **twenty-two (22) months after the election for which the records were produced.** (IC 3-10-1-31; IC 3-10-1-31.1; IC 3-12-4-13) Federal law provides that materials utilized in elections for federal offices must be preserved by election administrators for 22 months from the date of the election. This includes **poll lists, applications for absentee ballot, ballot envelopes, tally sheets, ballots and the computer programs used to tabulate the votes.**

Circuit Court Clerks or boards of voter registration are directed to unseal election materials, if necessary, in order to use the poll lists to update the voter registration records, including the voter identification numbers obtained during each election.

NOTE: Beginning with elections held in 2004, all election material is available for copying and inspection under the Public Records Law, except for ballots, which remain confidential. (IC 3-10-1-31.1) Election material must remain sealed while a recount or contest is underway involving those materials. Materials from elections held in 2003, or before, are not available under the Public Records Law, and must remain sealed so long as the records are retained. (IC 3-10-1-31)

Before disposing of records, the circuit court clerk or board of voter registration must notify the county records commission or the State Public Records Commission at (317) 232-3380.

**UNUSED BALLOTS** may be destroyed after the deadline for filing a recount petition (except for one, which is retained for the election record), for local ballots. **NOTE: Any record concerning an issue in litigation must be retained until the controversy is resolved, subject to orders of the court.**

**NEVER DESTROY THE RECORDS AND MINUTES OF THE COUNTY ELECTION BOARD OR COUNTY ELECTION BOARD CERTIFIED PRECINCT ELECTION RESULTS!**

**Special procedures apply to the ballots, poll lists, and other documents or material produced for use at a convention of a political party to nominate candidates, or a caucus conducted by a political party to nominate candidates. These ballots, poll lists, and other documents or material are the property of the political party, and must be retained and preserved as specified by the rules of that political party. (IC 3-5-4-10)**

## RETENTION OF VOTER REGISTRATION RECORDS (IC 3-7-27-6(b))

- 1) **Canceled registration records** may be disposed of as follows:  
Determine the date of the next general election after the cancellation of each registration. If the general election is more than 24 months ago, the record may be disposed of.
- 2) **Voter declination records** must be retained for 24 months.
- 3) **Duplicate** registration records for a voter must be retained as long as the person remains a voter of the county.

## RETENTION OF CAMPAIGN FINANCE RECORDS

**Campaign finance reports and statements** are kept four years from December 1, following the election to which they pertain. (IC 3-9-4-6) Reports and statements from candidates for **judge** must be kept **six (6)** years from December 1 following the election to which they pertain.

CLERK OF THE CIRCUIT COURT  
PARKE COUNTY  
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Kimberly Shorter, former Clerk: Nonfeasance, Receipts Not Deposited pages 5 and 6	<u>\$ 289</u>	<u>\$ 289</u>	<u>\$ -</u>