

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, 2010 to December 31, 2010



FILED
09/07/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Internal Controls – Clerk's Computer System	4
Bank Account Reconciliations	4
Exit Conference.....	5

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Lynn Spevak	01-01-10 to 12-31-13
President of the County Council	Mark Yagelski Richard Mrozinski, Jr.	01-01-10 to 12-31-10 01-01-11 to 12-31-11
President of the Board of County Commissioners	Barbara Huston Kenneth Layton	01-01-10 to 12-31-10 01-01-11 to 12-31-11



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 LAPORTE 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 Results and Comments. The financial transactions of this office are reflected in the Annual Report of LaPorte County for the year 2010.

STATE BOARD OF ACCOUNTS

July 19, 2011

CLERK OF THE CIRCUIT COURT
LAPORTE COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS – CLERK'S COMPUTER SYSTEM

Officials use a computerized 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. The Clerk's office does not have compensating controls in place for this internal control deficiency 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 Clerk receives and disburses child support as mandated by the State of Indiana 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. The current Clerk is attempting to reconcile the child support bank account to ISETS starting with 2005.

Indiana Code 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)

CLERK OF THE CIRCUIT COURT
LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 19, 2011, with Lynne Spevak, Clerk. The official concurred with our audit findings.