

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

AUDIT REPORT
OF
COUNTY CLERK OF THE CIRCUIT COURT
HANCOCK COUNTY
January 1, 2011 to December 31, 2011



FILED
08/31/2012

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Bond Coverage.....	4
Old Outstanding Checks.....	4-5
Exit Conference.....	6
Official Response	7

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Marcia R. Moore	01-01-11 to 12-31-14
President of the County Council	William Bolander	01-01-11 to 12-31-12
President of the Board of County Commissioners	Brad Armstrong Tom Stevens	01-01-11 to 12-31-12 01-01-12 to 12-31-12



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 for the period from January 1, 2011 to December 31, 2011, 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 2011.

STATE BOARD OF ACCOUNTS

August 03, 2012

CLERK OF THE CIRCUIT COURT
HANCOCK COUNTY
AUDIT RESULTS AND COMMENTS

BOND COVERAGE

The County Clerk was bonded for \$105,000 during the year 2011. Indiana Code 5-4-1-18 requires County Clerks to be bonded for an amount equal to \$30,000 for each \$1,000,000 of the previous years receipts. Receipts for the Clerk's Office totaled \$6,481,151 in 2010. This amount of money received would have required a larger bond, in the amount of \$180,000.

Indiana Code 5-4-1-18 states in part:

"(a) Except as provided in subsection (b), the following city, town, county, or township officers and employees shall file an individual surety bond:

- (1) City judges, controllers, clerks, and clerk-treasurers.
- (2) Town judges and clerk-treasurers.
- (3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.
- (4) Township trustees.
- (5) Those employees directed to file an individual bond by the fiscal body of a city, town, or county.

(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

- (1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision."

OLD OUTSTANDING CHECKS

At December 31, 2011, the Clerks court bank account had 137 old outstanding checks totaling \$11,866.95. The Clerks ISETS bank account had 17 old outstanding checks totaling \$832.39. These checks were all issued in 2009 or earlier. The oldest check from the Court bank account was issued in 2006 and the oldest check from the ISETS bank account was issued in 1999. There were five checks in the ISETS bank account older than five years old totaling \$368. These monies were eligible to be turned over to the Attorney General's office. A similar comment appeared in prior Report B39510.

The clerk should never allow checks to remain outstanding for an unreasonable length of time. Checks mailed and returned because of inability of delivery to the payee should be receipted to the cash book as an item of trust and reinstated in the register of trust in the name of the payee. The clerk should write a receipt to himself or herself for the unclaimed check and deposit it in the designated depository the same as receiving money from any other person. The check should be endorsed:

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

FOR DEPOSIT ONLY
NOT USED FOR PURPOSE INTENDED

CLERK OF CIRCUIT COURT

If the payee does not thereafter claim his 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 IC 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 posed 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.

In order to eliminate old outstanding checks from the records, perform the following:

1. Issue a formal stop payment order to the bank upon which each check is drawn.
2. If the check was for child support, follow the procedures established to enter the check into ISETS. For all other checks, enter the amount of each check as a receipt in the cash book. Post the respective amounts to the trust column of the cash book and enter each amount in the name of the payee in the register of trust.
3. Since the checks have never cleared the bank, the amount is still on deposit. Therefore, when all such checks are charged to the records and reinstated in the trust register or ISETS, the original check numbers will be eliminated as outstanding in the next reconciliation with the bank.
4. If, at the time such checks are restored to the records, the original dates indicate the checks have been outstanding for five or more years, they should be paid over to the Attorney General immediately. The original date should be shown in the register of trust or on ISETS. If the checks are not old enough to be collected by the Attorney General they should be held until the proper time period has elapsed.

The entry in the cash book, for non-child support outstanding checks, should be:

"Old Outstanding Check No. issued (date), to (Name)," and extend the amounts to the total and trust fund columns. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 8)

Indiana Code 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."

CLERK OF THE CIRCUIT COURT
HANCOCK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 3, 2012, with Marcia R. Moore, Clerk, and Mary McCoy, Chief Deputy. The Official Response has been made a part of this report and may be found on page 7.

Marcia R. Moore

Clerk of Hancock County Courts
9 East Main Street, Rm. 213
Greenfield, IN 46140
(317) 477-1109
(317) 477-1163 - Fax

August 6, 2012

State Board of Accounts
Sommer Cannon, Field Supervisor

OFFICIAL RESPONSE

Dear Ms. Cannon,

Please accept this letter as my official response to the State Board of Accounts audit of 2011 records.

Bond Coverage

Insufficient bond coverage: The Hancock County Auditor's office physically purchases the bonds for the County Elected Officials, as of this date, the Clerk has requested the Auditor purchase an additional bond so that coverage for this office would be in compliance with the requirements of IC 5-4-1-18.

Old Outstanding Checks not Returned

The error has been noted and the Clerk's office will have a procedure in place to handle said checks.

However, please note that Old Outstanding Checks and undistributed money on the ISETS system is out of the control of the local County Clerk. ISETS is a State ran program and this office does not have control of the function of this program or when the State moves money to the Attorney General's Unclaimed Property Division. This office has been informed that we are to be included in the 2012 November sweep to the Attorney General.

Sincerely,

Marcia R Moore

Marcia R. Moore
Clerk of the Circuit Court

/s

"It is not what we profess, but what we practice that gives us integrity..." Francis Bacon