

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

AUDIT REPORT

OF

CLERK OF THE CIRCUIT COURT

ALLEN COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
09/10/2012

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Lisbeth A. Borgmann	01-01-11 to 12-31-14
President of the County Council	Darren E. Vogt Larry L. Brown	01-01-11 to 12-31-11 01-01-12 to 12-31-12
President of the Board of County Commissioners	F. Nelson Peters	01-01-11 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF ALLEN COUNTY

We have audited the records of the Clerk of the Circuit Court 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 Financial Report of Allen County for the year 2011.

STATE BOARD OF ACCOUNTS

August 21, 2012

CLERK OF THE CIRCUIT COURT
ALLEN COUNTY
AUDIT RESULTS AND COMMENTS

CRIMINAL TRUST FUND REGISTER

The Clerk's office maintains a trust fund register for criminal cases within the County's Odyssey court program. The Odyssey court program provides a trust fund register printout. The total of the trust fund register printout does not balance to the trust control for criminal cases reported on the Clerk's cashbook at December 31, 2011. The trust fund register printout is long \$289.74, when compared to the clerk's cashbook.

As soon as possible after the Cash Book and the daily Balance Record have been closed for the month, the Clerk should reconcile the Trust Fund Register with these two records.

Total all items appearing on hand in the Trust Fund Register. This also must be done as of the last day of the month. The total of these items must equal the balance in the trust fund column of the Cash Book and in the daily Balance Record.

If there is a difference, an error has been made. It will behoove you to review the work to detect and make the necessary correction. Do not leave the books out of balance. If you have been accurate in posting the records daily and have proved each day's transactions, you will not have any difficulty. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 8)

CIVIL AND SMALL CLAIMS TRUST FUND REGISTERS NOT PRESENTED FOR AUDIT

The Clerk's office maintains separate trust fund registers for civil and small claims cases within the County's Civil System court program. The Civil System provides detailed trust fund registers for civil and small claims cases, respectively. The December 31, 2011 trust fund registers for civil and small claims cases were not presented for audit. These trust fund registers were not printed at December 31, 2011, and the system would not allow the Clerk to go back and retrieve the information as of December 31, 2011. Due to the trust fund registers not being presented for audit, we were unable to verify the amounts on the Clerk's cashbook for civil trust and small claims trust of \$942,750.22 and \$636,948.05, respectively.

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.

MONTHLY REPORT - CLERK OF THE CIRCUIT COURT FORM NO. 46-CR

The monthly report, Form No. 46-CR, has not been filed since October 2010. By reviewing these reports, the public is able to gain an understanding of the Clerk of the Circuit Court's financial activity.

Indiana Code 33-32-3-6 concerning Monthly Reports, Form 46-CR, states in part: ". . . these reports shall be prepared, verified, and filed with the County Auditor, County Commissioners and State Board of Accounts before the twenty-fifth day of each month."

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

NONSUFFICIENT FUND AUTO WITHDRAWALS

The Allen County Clerk of Courts has an auto withdrawal program. Those required to make monthly child support payments may have amounts electronically withdrawn from their bank account. An applicant must complete an auto withdrawal application and pay a reserve deposit equal to the amount being requested for deduction. According to the policy stated on the auto withdrawal program application, in the event that an auto withdrawal payment is returned as insufficient, the Clerk will use the reserve deposit to cover the withdrawal transactions. The grantor agency, The Indiana Department of Child Services, does not have a deposit requirement as part of its program. Indiana Code 33-32-4-6(1) requires that the amount of any funds improperly disbursed that meet the requirements of Indiana Code 33-32-4-5 be deducted from fees collected under Indiana Code 33-37-5-6. We also noted that the program application states that, the person responsible for the child support payment will be immediately removed from the auto withdrawal program and a \$25 nonsufficient fund fee is assessed, but the fee has not been officially enacted by a local ordinance.

The Indiana Support Enforcement Tracking System cash reconciliation as of December 31, 2011, had a reconciling item of \$6,244.72 for nonsufficient fund auto withdrawals. These nonsufficient fund auto withdrawals date back as far as 2006. In addition, it was observed that one individual was listed twice. These individuals with nonsufficient fund auto withdrawals have not been removed and will need to be removed from the auto withdrawal program as prescribed by the program application. The Clerk should follow Indiana Code 33-32-4-6 as quoted below to provide for improperly disbursed funds and work with the Prosecutor in determining the proper application of reserve deposits being held for those who had insufficient auto withdrawals outstanding. For all other deposits being held, the Clerk should work with the payor to either return the deposit or apply to a child support payment.

Indiana Code 33-32-4-6 states:

"If the state central collection unit or the clerk improperly disburses funds in the manner described by section 5 of this chapter, the state central collection unit or the clerk shall do the following:

- (1) Deduct the amount of funds improperly disbursed from fees collected under IC 33-37-5-6.
- (2) Credit each account from which funds were improperly disbursed with the amount of funds improperly disbursed under section 5 of this chapter.
- (3) Notify the prosecuting attorney of the county of:
 - (A) the amount of the improper disbursement;
 - (B) the person from whom the amount of the improper disbursement should be collected; and
 - (C) any other information to assist the prosecuting attorney to collect the amount of the improper disbursement.
- (4) Record each action taken under this subsection on a form prescribed by the state board of accounts."

CLERK OF THE CIRCUIT COURT
ALLEN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 21, 2012, with Lisbeth A. Borgmann, Clerk; Chris Nancarrow, Chief Deputy Clerk; Jane Brewer, Finance Manager; and Mary Giant, Director of Systems Operations. The Official Response has been made a part of this report and may be found on page 7.

The contents of this report were discussed on August 21, 2012, with Nelson Peters, President of the Board of County Commissioners.



LISBETH A. BORGMANN

Clerk of the Allen Circuit and Superior Courts

Allen County Courthouse ♦ 715 S. Calhoun Street ♦ Fort Wayne, Indiana ♦ 46802

August 21, 2012

Indiana State Board of Accounts
302 W. Washington Street, Room E418
Indianapolis, IN 46204-2765

Re: Clerk of the Courts 2012 Audit Response

To Whom It May Concern:

I wish to thank the State Board of Accounts for finding the issues that existed during the previous administration.

These concerns will be addressed immediately and we look forward to working with the State Board of Accounts in the future.

Sincerely,

Lisbeth A. Borgmann
Clerk of the Court