

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

AUDIT REPORT  
OF

CITY CLERK  
CITY OF MUNCIE

DELAWARE COUNTY, INDIANA

January 1, 2011 to December 31, 2011



**FILED**  
09/14/2012



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CITY OFFICIALS

| <u>Office</u>  | <u>Official</u>                        | <u>Term</u>                                  |
|--|--|--|
| City Clerk   | Phyllis Reagon                         | 01-01-08 to 12-31-15                         |
| Mayor  | Sharon McShurley<br>Dennis Tyler       | 01-01-08 to 12-31-11<br>01-01-12 to 12-01-15 |
| President of the Board of<br>Public Works and Safety | Harold Mason<br>John Quirk             | 01-01-11 to 12-31-11<br>01-01-12 to 12-31-12 |
| President of the Board of<br>Common Council          | Robert S. Marshall<br>Jerry D. Dishman | 01-01-11 to 12-31-11<br>01-01-12 to 12-31-12 |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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STATE BOARD OF ACCOUNTS  
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TO: THE OFFICIALS OF THE CITY OF MUNCIE, DELAWARE COUNTY, INDIANA

We have audited the records of the City 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 Delaware County for the year 2011.

STATE BOARD OF ACCOUNTS

August 2, 2012

CITY CLERK  
CITY OF MUNCIE  
OTHER REPORT

The report presented herein was prepared in addition to another official report prepared for the same office as listed below:

Deputy Clerk – Report B40559

CITY CLERK  
CITY OF MUNCIE  
AUDIT RESULTS AND COMMENTS

***INTERNAL CONTROL***

The following procedures were in place for cash collections:

1. All collections received in the mail, which primarily consisted of money orders, were given to the cashier. No one verified the amount of monies received through the mail prior to remitting the collections to the cashier.
2. The cashier issued receipts for all collections including those received by mail. When receipts were issued, the payment method could only be noted as cash or money order, but not both.
3. One cash drawer was used for the Cashier and her replacement when she was at lunch.
4. The Cashier posted collections received to the records when copies of tickets were included with the mailed payments or at the time the original tickets were received from the Prosecutor's Office. The copies of tickets received in the mail and the original tickets were given to the Cashier in order for her to post the records. The ticket numbers are required in order to post to the records. Since all tickets were entered by the Cashier without any oversight, several money orders with no supporting receipts were not always posted to the records.
5. All money orders deposited were copied and retained by the Chief Deputy Clerk.
6. The Cashier made up the deposit.
7. The Chief Deputy Clerk counted the collections and determined that the total cash and money orders counted agreed with the total of the Trial Balance and the total of the deposit slip. She did not verify that money orders deposited agreed with the money orders received per the Trial Balance.
8. The Chief Deputy Clerk took the deposits to the bank.

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 laws 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 City and Town Courts, Chapter 4)

***TIME RECORDS***

The Clerk's office maintains a calendar which details the time off for each employee of the Clerk's office. A comparison of the calendar and time cards indicated absences as noted on the calendar were not indicated as absences on the time cards.

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 Cities and Towns, Chapter 7)

CITY CLERK  
CITY OF MUNCIE  
EXIT CONFERENCE

The contents of this report were discussed on August 2, 2012, with Phyllis Reagon, City Clerk, and Norma Norman, Chief Deputy Clerk.

The contents of this report were discussed on August 14, 2012, with John Quirk, President of the Board of Public Works and Safety, and Doug Marshall, member of the Common Council.