

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

AUDIT REPORT
OF
CLERK OF CIRCUIT COURT
KNOX COUNTY, INDIANA
January 1, 2012 to December 31, 2012



FILED
08/08/2013

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Sharon K. Duke Mindy S. Wessel	01-01-11 to 12-31-12 01-01-13 to 12-31-14
Clerk	Lisa Clark-Benock	01-01-11 to 12-31-14
President of the County Council	Steve Thais	01-01-12 to 12-31-13
President of the Board of County Commissioners	Kevin Meyer Rowe Sargent	01-01-12 to 12-31-12 01-01-13 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF KNOX COUNTY

We have audited the records of the County Clerk for the period from January 1, 2012 to December 31, 2012, 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 Knox County for the year 2012.

STATE BOARD OF ACCOUNTS

July 10, 2013

CLERK OF THE CIRCUIT COURT
KNOX COUNTY
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliation contained errors.

The Clerk's office completed a software conversion in October 2012. The balances of several funds were not carried forward correctly and this resulted in a \$1,242.79 error in the reconciliation of the bank to the ledger.

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."

As of July 7, 2013, Clerk's office is reconciled to bank and performing reconciliations monthly.

INTERNAL CONTROLS

Internal controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient:

1. Multiple accounting errors during the software conversion were not detected or corrected.
2. Materially incorrect Supplemental CAR-1 was submitted to the County Auditor.
3. Support fund receipts and disbursements and balances were not reported to the County Auditor.
4. Funds were set up to account for errors with the new software that resulted in further errors within the Clerk's ledger.

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 Clerks of the Circuit Court of Indiana, Chapter 1)

CLERK OF THE CIRCUIT COURT
KNOX COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 10, 2013, with Lisa Clark-Benock, Clerk; Tracy Kaiser, Chief Deputy; Don Halter, Commissioner; Steve Thais, President of the County Council; and Mindy S. Wessel, Auditor. The officials concurred with our audit findings.