

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

AUDIT REPORT
OF

CITY COURT
CITY OF CROWN POINT
LAKE COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED
08/19/2013

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
City Court Official	2
Transmittal Letter	3
Audit Results and Comments:	
Stale Dated Outstanding Checks (Warrants)	4
Internal Controls	5
Exit Conference.....	6

CITY COURT OFFICIAL

Office

Official

Term

City Judge

Kent A. Jeffirs

01-01-12 to 12-31-15



STATE OF INDIANA
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TO: THE OFFICIALS OF THE CITY OF CROWN POINT

We have audited the records of the City Court 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 the City of Crown Point for the year 2012.

A handwritten signature in black ink, appearing to read "Bruce Hartman".

Bruce Hartman, CPA
State Examiner

April 2, 2013

CITY COURT
CITY OF CROWN POINT
AUDIT RESULTS AND COMMENTS

STALE DATED OUTSTANDING CHECKS (WARRANTS)

The bank reconciliation at December 31, 2012, included checks totaling \$3,836.08 as outstanding in excess of two years. This total includes \$2,768.62 in outstanding checks dated 2004 to 2007 that are over five years old. The officials have not reported these items to the Indiana Attorney General. A similar comment was included in several prior audit reports.

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

1. Issue a formal stop payment order to the bank upon which each check is drawn.
2. 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 funds.
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, the original check number 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 funds. If the checks are not five years old they should be held until the five year period has elapsed.

The entry in the cash book should be:

"Old Outstanding Check No. _____ issued _____ Date _____, to (Name) _____," and extend the amounts to the total and trust fund columns.

Since outstanding checks of the court are not included within the meaning of IC 5-11-10.5, city and town courts are to follow the preceding steps in handling old outstanding checks.

City and town courts are required to report these items to the Attorney General annually online. For information on reporting online, contact the Attorney General's office at upholder@indianaunclaimed.com or 1-800-447-5598. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 4)

CITY COURT
CITY OF CROWN POINT
AUDIT RESULTS AND COMMENTS
(Continued)

INTERNAL CONTROLS

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

The City Court collects various fees that are to be remitted to the Lake County Auditor and the City of Crown Point Clerk-Treasurer on a monthly basis. However, fees were remitted up to 42 days after the due date. Controls are not sufficient to assure the remittance of all collections on a timely basis.

All State Fines and Forfeitures, Infraction Judgments, Overweight Vehicle Fines, State User Fees, Special Death Benefit Fees, Marijuana Eradication Fees, and Jury Fees are to be sent to the county auditor by the court on a monthly basis. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 1)

The county's and city's/town's share of court costs, any city/town fines, document fees, administrative fees, facsimile fees, document storage fees, late payment fees, probation fees, credit card service fees, user fees or other items shall be remitted to the city/town fiscal officer on a monthly basis. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 1)

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 Cities and Towns, Chapter 7)

CITY COURT
CITY OF CROWN POINT
EXIT CONFERENCE

The contents of this report were discussed on April 2, 2013, with Kent A. Jeffirs, City Judge; Sally Baran, Lori Mauk, and Mary Jane Hinson, City Court Clerks. The officials concurred with our audit findings.