

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

AUDIT REPORT

OF

MUNCIE CITY CLERK

DELAWARE COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED
09/26/2013

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CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Phyllis Reagon	01-01-12 to 12-31-15
Mayor	Dennis Tyler	01-01-12 to 12-31-15
President of the Board of Public Works and Safety	John Quirk	01-01-12 to 12-31-13
President of the Board of Common Council	Jerry D. Dishman	01-01-12 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

We have audited the records of the City 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 City of Muncie for the year 2012.

STATE BOARD OF ACCOUNTS

July 15, 2013

MUNCIE CITY CLERK
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted a material weakness in the internal control system of the City Clerk related to financial transactions and reporting. The cashiers in the office do not have separate cash registers.

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.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns)

CLERK'S TRUST ITEMS OVER FIVE YEARS OLD

Our review of trust items on hand revealed that many items had been on hand for a period of five years or longer. The Clerk has not implemented policies and procedures for reporting unclaimed property and remitting that property to the Attorney General after the five year holding period.

Indiana Code 32-34-1-20(c) states in part:

"Property that is held, issued, or owed in the ordinary course of a holder's business is presumed abandoned if the owner or apparent owner has not communicated in writing with the holder concerning the property or has not otherwise given an indication of interest in the property during the following times: . . . (6) For property or proceeds held by a court or a court clerk, five (5) years after the property or proceeds become distributable. The property or proceeds must be treated as unclaimed property under IC 32-34-3."

Indiana Code 32-34-1-26(a) states:

"A holder of property that is presumed abandoned and that is subject to custody as unclaimed property under this chapter shall report in writing to the attorney general concerning the property. Items of value of less than fifty dollars (\$50) may be reported by the holder in the aggregate."

Indiana Code 32-34-1-27(a) states:

"Except as provided in subsections (b) (c), on the date a report is filed under section 26 of this chapter, the holder shall pay or deliver to the attorney general the property that is described in the report as unclaimed."

MUNCIE CITY CLERK
EXIT CONFERENCE

The contents of this report were discussed on July 15, 2013, with Phyllis Reagon, Clerk. The official concurred with our audit findings.