

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

AUDIT REPORT

OF

CLERK OF THE CIRCUIT COURT

OWEN COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED
12/29/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Clerk's Trust Items Over Five Years Old	4
Cash Necessary to Balance, Bank Reconciliations	4
Correction of Errors	4
Internal Controls	4
Investment Maturity Limitations	4
Exit Conference	5

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Nick Robertson	01-01-03 to 12-31-06
President of the County Council	Patty Edwards	01-01-05 to 12-31-06
President of the Board of County Commissioners	Wiley Truesdel	01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF OWEN COUNTY

We have audited the records of the Owen County Clerk of the Circuit Court for the period from January 1, 2005 to December 31, 2005, 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 Owen County for the year 2005.

STATE BOARD OF ACCOUNTS

November 21, 2006

CLERK OF THE CIRCUIT COURT
OWEN COUNTY
AUDIT RESULTS AND COMMENTS

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.

Indiana Code 32-34-1-20 (c)(7) states in part: " For property or proceeds held by a court or a court clerk, other than property or proceeds related to child support, five (5) years after the property or proceeds becomes distributable. The property or proceeds must be treated as unclaimed property under 32-34-3 . . ."

CASH NECESSARY TO BALANCE, BANK RECONCILIATIONS

A comparison of the records to the bank account indicated a cash necessary to balance of \$247.

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. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13)

CORRECTION OF ERRORS

Some corrections and adjustments were made in the records without retaining recommended audit trails.

Receipt and disbursement corrections or other errors should be corrected by memorandum entry with the issuance of a check and receipt to document the flow of the transactions. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13)

INTERNAL CONTROLS

Controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient. Check numbers are entered manually into the GAVEL software program. Three checks numbers outstanding at December 31, 2005, had been previously issued and cleared in 2005, but the software program allowed those check numbers to be used again. The check number shown on the outstanding check list did not match the preprinted number on the check.

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 Courts of Indiana, Chapter 13)

INVESTMENT MATURITY LIMITATIONS

The governmental unit purchased certain investments which have a stated maturity in excess of two years.

Indiana Code 5-13-9-5.6 states: ". . . investments made under this chapter must have a stated final maturity of not more than two (2) years after the date of purchase or entry into a repurchase agreement."

CLERK OF THE CIRCUIT COURT
OWEN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 21, 2006, with Wiley Truesdel, President of the Board of County Commissioners; and Patty Edwards, President of the County Council; and on November 22, 2006, with Nick Robertson, Clerk of the Circuit Court. The officials concurred with our audit findings.