

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

EXAMINATION REPORT
OF
CLERK OF THE CIRCUIT COURT
POSEY COUNTY, INDIANA
January 1, 2007 to December 31, 2007



FILED
01/26/2009

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Donna K. Butler	01-01-07 to 12-31-10
President of the County Council	Thomas R. Schneider Robert Gentil	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	W. Scott Moye James Alsop	01-01-07 to 12-31-07 01-01-08 to 12-31-08



STATE OF INDIANA
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TO: THE OFFICIALS OF POSEY COUNTY

We have examined the records of the Clerk of the Circuit Court for the period from January 1, 2007 to December 31, 2007, 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 Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Posey County for the year 2007.

STATE BOARD OF ACCOUNTS

December 3, 2008

CLERK OF THE CIRCUIT COURT
POSEY COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances for February through September were significantly incorrect and contained several undocumented miscellaneous adjustments that could not be verified. The depository reconciliation for October was not presented, and November and December were incomplete.

Detailed lists of outstanding checks were not retained for January, February, September, October, or November in 2007. The outstanding check list as of December 31, 2007, was presented, but was significantly inaccurate.

Because the depository reconciliations were not performed correctly, several posting errors were not identified or corrected.

A similar comment was in the prior report.

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."

CASH NECESSARY TO BALANCE, BANK RECONCILIATIONS

A comparison of the records to the bank account indicated a cash necessary to balance of \$6,292. Due to the large number of posting errors, the cause of this cash necessary to balance cannot be determined.

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, Chapter 13)

CLERK'S TRUST ITEMS

The detailed Trust Register does not agree to the Trust Account in the Clerk's Cash Book at December 31, 2007, by \$71,534. The reasons for the difference are as follows:

On December 28, 2007, a Trust item in the amount of \$71,236 was posted as disbursed from the Trust Register, but not as a disbursement from the Trust Account in the Clerk's Cash Book. The amount was receipted into, and then disbursed out of the Judgment account without having been posted as a disbursement from the Cash Book Trust account. This caused the Cash Book to be overstated by \$71,236.

On December 19, 2007, a Trust item in the amount of \$348 was posted as disbursed from the Trust Register, but not as a disbursement from the Trust Account in the Clerk's Cash Book. The amount was receipted into, and then disbursed out of the Restitution account without having been posted as a disbursement from the Cash Book Trust account. This caused the Cash Book to be overstated by \$348.

CLERK OF THE CIRCUIT COURT
POSEY COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

There is an unidentified difference of \$50 which results in an understatement of the Cash Book by that amount. This difference first appeared in September 2007.

The Clerk was advised to correct the two known errors and to locate and correct the unidentified error.

Our review of trust items on hand also revealed that at December 31, 2007, items totaling \$14,357 had been on hand for a period of five years or longer. The Clerk was advised to remit these Trust items to the Attorney General as unclaimed property.

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, Chapter 13)

Indiana Code 32-34-1-20 (c)(6) states: "For property or proceeds held by a court or a court clerk, five (5) years after the property or proceeds becomes distributable. The property or proceeds must be treated as unclaimed property under IC 32-34-3."

CORRECTION OF ERRORS

Multiple adjustments were made in the records without retaining recommended audit trails. The number and amount of these adjustments cannot be determined without adequate documentation of the adjustments.

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, Chapter 13)

CONDITION OF RECORDS

Financial records presented were incomplete and not reflective of the activity of the office of the Clerk of the Circuit Court. The records presented did not provide receipts, disbursements, or ending balances of the Clerk's Cash Book. The receipts, disbursements, and ending balances were reconstructed using a variety of receipts and disbursements reports that were presented for examination.

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 Clerks of the Circuit Courts, Chapter 13)

CLERK OF THE CIRCUIT COURT
POSEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 8, 2008, with Donna K. Butler, Clerk. The official concurred with our examination findings.

The contents of this report were discussed on December 18, 2008, with James Alsop, President of the Board of County Commissioners; and Robert Gentil, President of the County Council.