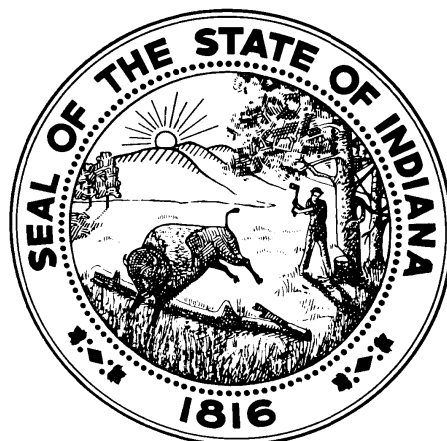


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF

CITY CLERK
CITY OF GARY
LAKE COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED
09/03/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
City Officials	2
Transmittal Letter	3
Audit Result and Comment: Condition of Records	4
Exit Conference.....	5
Official Response	6-7

CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Suzette Raggs	01-01-08 to 12-31-11
Controller	M. Celita Green	01-01-08 to 12-31-09
Mayor	Rudolph Clay, Sr.	01-01-08 to 12-31-11
President of the Common Council	Ronier Scott	01-01-08 to 12-31-09
President of the Board of Public Works and Safety	Geraldine B. Tousant	01-01-08 to 12-31-09



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 GARY

We have audited the records of the City Clerk for the period from January 1, 2008 to December 31, 2008, 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 Result and Comment. The financial transactions of this office are reflected in the Annual Report of the City of Gary for the year 2008.

STATE BOARD OF ACCOUNTS

April 28, 2009

CITY CLERK
CITY OF GARY
AUDIT RESULT AND COMMENT

CONDITION OF RECORDS

The Clerk's office personnel are researching the manually kept records to find the posting errors in the Cash Bond Register and the Trust Register from the Criminal Division. Transactions since April 30, 2005, have been recorded using a computerized system. They have been researching the old dockets from 1990 to 2005 to determine an accurate detail of the amount on hand as of April 30, 2005, for both Cash Bonds and Trust items. When the review of the old documents is completed, the detail should support the total cash balance as of April 30, 2005, for Cash Bonds and Trust balances. The detail would be available to reconcile to the Clerk's Cash Book amount for both Cash Bonds and Trust subsidiary (detailed) ledgers.

The detail of all the Trust Funds on hand has not been reconciled to the Clerk's Cash Book. The officials are reconciling the current Trust Fund activity. The officials have had procedures in place since May 1, 2005, to reconcile the Trust Fund operations. Of the \$136,332.39 trust cash balance at December 31, 2008, \$135,894.39 (99.7%) is from prior to April 30, 2005. Since the detail of the old Trust Fund records is still being reviewed, we could not determine if any of the trust items were over five years old and should have been remitted to the Attorney General.

The detail of all the Cash Bonds on hand has not been reconciled to the Clerk's Cash Book. The officials are reconciling the current Cash Bonds activity. The officials have had procedures in place since May 1, 2005, to reconcile the Cash Bonds activity. Of the \$1,005,071.92 Cash Bonds balance at December 31, 2008, \$1,003,124.97 (99.8%) is from prior to April 30, 2005. Some items date as far back as 1993 in the manually kept Cash Bond Registers. During 2008, old cash bonds from 1990, 1991, and 1992 were forfeited by the Judge and processed and disbursed by the Clerk through developed procedures pursuant to State guidelines.

On February 24, 2009, the officials received approval for the computerized version of the Register of Cash Bonds. This computerized version needs the following improvements: (1) include a beginning balance as of April 30, 2005, when the cash bonds activity became computerized, until the detail is obtained of that balance; (2) include a total column that lists the cash bond balances at the report run date; and (3) correct the reporting of the Special Death Benefit amount of \$5 in the total column when the amount has already been disbursed from Cash Bonds.

At all times, the manual and 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 Cities and Town Courts, Chapter 4)

The record Register of Trust Funds (General Form 102) is commonly referred to as the "trust fund register." It is a register wherein money received for the benefit of all persons or parties is entered in detail. The total of all unpaid items as shown by the trust fund register must agree with the balance in trust as shown by the court cash book. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 1)

CITY CLERK
CITY OF GARY
EXIT CONFERENCE

The contents of this report were discussed on April 28, 2009, with Suzette Raggs, Clerk; and Barbara J. Cox, Chief Deputy Clerk. The official response has been made a part of this report and may be found on pages 6 and 7.



Criminal Division

555 Polk Street
Gary, Indiana 46402
(219) 881-1263
Fax (219) 881-1182

**Gary City Clerk
Suzette Raggs**

Civil Division

555 Polk Street
Gary, Indiana 46402
(219) 881-1354
Fax (219) 881-1439

May 13, 2009

Mr. Bruce Hartman
State Examiner
State Board of Accounts
302 W. Washington Street, Room B418
Indianapolis, Indiana 46204-2765

Re: Official Response to 2008 Audit Results & Comments

Dear Mr. Hartman:

This correspondence is in response to the receipt of the 2008 results and comments from the State Board of Accounts regarding its audit for the Criminal and Civil Divisions of the Gary City Clerk's office for the period of January 1, 2008 to December 31, 2008.

I appreciate the observations and comments that have been made and shared by the State Board of Accounts' representative. Our ongoing progress made in the general operations and internal controls of the Gary City Clerk's office continue to reflect our commitment toward implementing a more efficient and professional work environment through organization and the proficient use of technology.

The State Board of Accounts' representative met with me and the chief deputy clerk to discuss the contents of her report and the following response is hereby submitted.

CONDITION OF RECORDS

(Response)

State Board of Accounts noted how we have been working to find the posting errors from prior years in both the hand posted Cash Bond Register and the Trust Register from the Criminal Division. Due to constant staff shortages, this continues to be quite an arduous task. However, it is my intent to address this aspect of our problem in the near future.

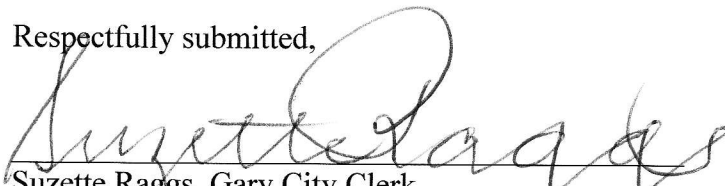
While we are reconciling current Trust Fund and Cash Bond activities, procedures have been developed that will continue to allow us to reduce prior Trust balances and process and disburse prior Cash Bond balances. It is important to reiterate that "old cash bonds

from 1990, 1991, and 1992 were forfeited by the Judge and processed and disbursed by the Clerk through developed procedures pursuant to State guidelines”.

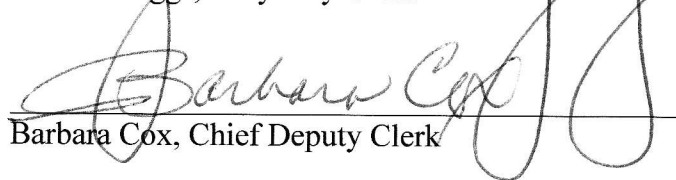
State Board of Accounts noted that minor improvements were recommended relative to inserting a beginning balance as of April 30, 2005; including a total column that lists the cash bond balances and the report run date; and correcting the reporting of the Special Death Benefit amount of \$5.00 in the total column when the amount has already been disbursed. The improvements as recommended will be completed this week.

My ultimate goal for the Office of the Gary City Clerk is to create a governmental model of professional excellence. It has been very difficult but I sincerely believe that with each passing year, we get even closer to attaining this goal.

Respectfully submitted,



Suzette Raggs, Gary City Clerk



Barbara Cox, Chief Deputy Clerk