

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

AUDIT REPORT

OF

CLERK OF THE CIRCUIT COURT

CASS COUNTY, INDIANA

January 1, 2012 to December 31, 2012



**FILED**  
07/25/2013



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COUNTY OFFICIALS

| <u>Office</u>                                     | <u>Official</u> | <u>Term</u>          |
|---|-----------------|----------------------|
| Clerk   | Beth Liming     | 01-01-09 to 12-31-16 |
| President of the<br>County Council                | George Stebbins | 01-01-12 to 12-31-13 |
| President of the Board of<br>County Commissioners | David Arnold    | 01-01-12 to 12-31-13 |



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF CASS COUNTY

We have audited the records of the Clerk of the Circuit 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 Result and Comment. The financial transactions of this office are reflected in the Annual Report of Cass County for the year 2012.

STATE BOARD OF ACCOUNTS

April 10, 2013

CLERK OF THE CIRCUIT COURT  
CASS COUNTY  
AUDIT RESULT AND COMMENT

***INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND MONITORING***

Within the office of Clerk of the Circuit Court we noted several deficiencies in the internal control system related to financial transactions and the monitoring and assessment of controls. We believe the following deficiencies constitute material weaknesses:

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the County to reduce risks to the achievement of financial reporting objectives. The Office of the Clerk of the Circuit Court has not separated incompatible activities related to receipts, (including collections,) disbursements, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to go undetected.
2. Monitoring of Controls: Effective internal control over financial reporting requires the County Clerk to monitor and assess the quality of the system of internal control in effect at the Clerk of the Circuit Court's office. The Clerk has not performed either an ongoing nor separate evaluation of their system of internal controls. The failure to exercise her oversight responsibility places the Clerk's office at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the Clerk's office has no process to identify or communicate corrective actions to improve controls.

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 Clerks of the Circuit Courts of Indiana, Chapter 13)

CLERK OF THE CIRCUIT COURT  
CASS COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 10, 2013, with Beth Liming, Clerk, and Heather Seals, Deputy Clerk; and on July 11, 2013, with David Arnold, President of the Board of County Commissioners; and George Stebbins, President of the County Council. The Official Response has been made a part of this report and may be found on page 6.

## **Beth Liming**

Clerk of the Cass County Courts  
Circuit and Superior Courts  
200 Court Park  
Logansport, IN 46947  
(574)753-2194  
beth.liming@co.cass.in.us

April 10, 2013

Response to the Results and Comments:

In response to the internal controls over the financial transactions and monitoring within the county clerk's office, there have been changes made since the audit took place.

The lack of segregation of duties, more responsibilities has been given related to the financial transactions. I as clerk will have more control of the daily deposits, signing off of those deposits before they go to the bank and when they return. Also will be approving the bank reconciliation each month.



Beth Liming  
Cass County Clerk