

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, 2012 to December 31, 2012



FILED
09/30/2013

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
City Officials	2
Transmittal Letter	3
Audit Result and Comment: Condition of Records	4-5
Exit Conference.....	6
Official Response	7-8

CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Suzette Raggs	01-01-12 to 12-31-15
Controller	M. Celita Green	01-01-12 to 12-31-13
Mayor	Karen Freeman-Wilson	01-01-12 to 12-31-15
President of the Common Council	Kyle W. Allen, Sr.	01-01-12 to 12-31-13
President of the Board of Public Works and Safety	Delvert Cole Niquelle Allen	01-01-12 to 02-26-13 02-27-13 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF GARY

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 Result and Comment. The financial transactions of this office are reflected in the Annual Report of the City of Gary for the year 2012.

STATE BOARD OF ACCOUNTS

July 18, 2013

CITY CLERK
CITY OF GARY
AUDIT RESULT AND COMMENT

CONDITION OF RECORDS

A complete and accurate Cash Bond Register and Trust Register that reflects the cash book balances of \$875,918.92 and \$103,676.22, respectively, was not available for audit.

The Clerk's office personnel have been researching the manually maintained records to find the posting errors from prior years in both the Cash Bond Register and the Trust Register from the Criminal Division. Transactions since April 30, 2005, have been recorded using a computer system. They have been researching the old dockets from 1985 to 2005 to determine an accurate detail of the amount on hand as of April 30, 2005, for both Cash Bonds and Trust items. As the officials have been researching the old dockets, they have posted in the computer system the detail amounts from prior to April 30, 2005, that are still held in Cash Bonds or Trust.

While the Clerk's office is researching open balances, there is a substantial amount of open cash bond deposits that have been held since 1990 still on hand as of December 31, 2012. Indiana Code requires the court to forfeit bonds when a defendant fails to appear in court and transfer the amount to the state common school fund.

A similar comment appeared in the prior report.

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 City and Town Courts, Chapter 4)

Indiana Code 35-33-8-7 states in part:

"(a) If a defendant:

- (1) was admitted to bail under section 3.2(a)(2) of this chapter; and
- (2) has failed to appear before the court as ordered;

the court shall, except as provided in subsection (b) or section 8(b) of this chapter, declare the bond forfeited not earlier than one hundred twenty (120) days after the defendant's failure to appear and issue a warrant for the defendant's arrest.

CITY CLERK
CITY OF GARY
AUDIT RESULT AND COMMENT
(Continued)

(b) In a criminal case, if the court having jurisdiction over the criminal case receives written notice of a pending civil action or unsatisfied judgment against the criminal defendant arising out of the same transaction or occurrence forming the basis of the criminal case, funds deposited with the clerk of the court under section 3.2(a)(2) of this chapter may not be declared forfeited by the court, and the court shall order the deposited funds to be held by the clerk. If there is an entry of final judgment in favor of the plaintiff in the civil action, and if the deposit and the bond are subject to forfeiture, the criminal court shall order payment of all or any part of the deposit to the plaintiff in the action, as is necessary to satisfy the judgment. The court shall then order the remainder of the deposit, if any, and the bond forfeited.

(c) Any proceedings concerning the bond, or its forfeiture, judgment, or execution of judgment, shall be held in the court that admitted the defendant to bail.

(d) After a bond has been forfeited under subsection (a) or (b), the clerk shall mail notice of forfeiture to the defendant. In addition, unless the court finds that there was a justification for the defendant's failure to appear, the court shall immediately enter judgment, without pleadings and without change of judge or change of venue, against the defendant for the amount of the bail bond, and the clerk shall record the judgment.

(e) If a bond is forfeited and the court has entered a judgment, the clerk shall transfer to the state common school fund:

- (1) any amount remaining on deposit with the court (less the fees retained by the clerk);
and
- (2) any amount collected in satisfaction of the judgment."

CITY CLERK
CITY OF GARY
EXIT CONFERENCE

The contents of this report were discussed on August 5, 2013, with Suzette Raggs, Clerk; Barbara Cox, Chief Deputy; and Zelda Edwards, Fiscal Manager. The Official Response has been made a part of this report and may be found on pages 7 and 8.



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

August 15, 2013

Mr. Bruce Hartman
State Examiner
State Board of Accounts
302 W. Washington Street, Room E-418
Indianapolis, Indiana 46204

Re: Official Response to the 2012 Audit Results & Comments

Dear Mr. Hartman:

This correspondence is in response to the receipt of the 2012 results and comments from the State Board of Accounts regarding its audit for the Criminal & Civil Divisions of the Gary City Clerk's office during the period of January 1, 2012 to December 31, 2012.

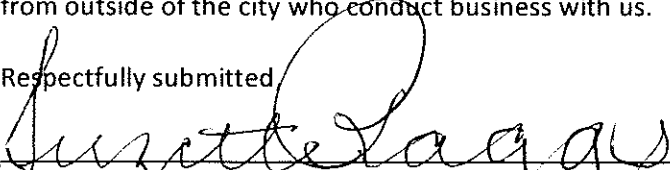
We appreciate the observations and comments shared by the State Board of Accounts' representatives on the substantial progress we continue to make in reconciling a Cash Bond Register and Trust Register that reflect cash book balances of various records (some dating back to 1985 that still cannot be located).

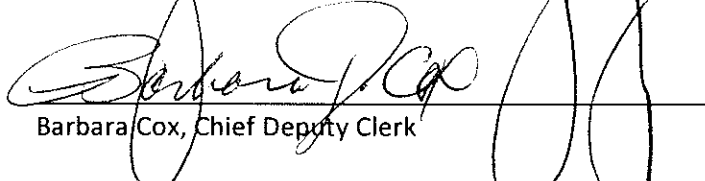
The State Board of Accounts' representative noted our diligence in this audit by acknowledging that "The Clerk's office personnel have been researching the manually maintained records to find posting errors from prior years in both the Cash Bond Register and the Trust Register from the Criminal Division. Transactions since April 30, 2005 have been recorded using a computer system. They have been researching the old dockets from 1985 to 2005 to determine an accurate detail of the amount on hand as of April 2005 for both Cash Bond Trust items. As the officials have been researching the old dockets, they have posted in the computer system the detail amounts from prior to April 30, 2005 that are still held in Cash Bonds or Trust."

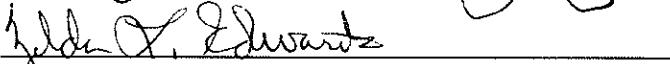
A significant number of Cash Bonds and Trust items have been identified within the past several years and successfully forfeited through the court in accordance with State Board of Accounts procedures. However, the process remains tedious and budget cuts impacting the availability of additional staff continues to compromise our ability to progress as swiftly as desired.

Our office is working on other strategies to better expedite the research and final resolution to Cash Bonds and Trust items prior to 2005. As we move forward in this and other areas of our office, we remain committed in our vow to render quality service to the citizens of our city and those individuals from outside of the city who conduct business with us.

Respectfully submitted,


Suzette Raggs, Gary City Clerk


Barbara Cox, Chief Deputy Clerk


Zeida Edwards, Fiscal Manager