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**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, 2009 to December 31, 2009



**FILED**  
10/12/2010



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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	01-01-09 to 12-31-10
Mayor	Rudolph Clay, Sr.	01-01-08 to 12-31-11
President of the Common Council	Ronier Scott	01-01-09 to 12-31-10
President of the Board of Public Works and Safety	Geraldine B. Tousant	01-01-09 to 12-31-10



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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, 2009 to December 31, 2009, 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 2009.

STATE BOARD OF ACCOUNTS

June 8, 2010

CITY CLERK  
CITY OF GARY  
AUDIT RESULT AND COMMENT

CONDITION OF RECORDS

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. When the review of the old documents is completed, the detail should support the total cash balance as of April 30, 2005, for both Cash Bonds and Trust items. Then the detail would be available to reconcile to the Clerk's Cash Book amount for both Cash Bonds and Trust subsidiary (detailed) ledgers. 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.

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 \$120,932.89 trust fund cash balance at December 31, 2009, \$112,932.96 (93.4%) is from prior to April 30, 2005. The officials have posted in the computer system \$101,039.31 of the detail from prior to April 30, 2005, that they have researched and determined as still held in Trust. This leaves \$11,893.65 that still needs to be researched and posted in the computer system. 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 turned over 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 \$879,364.42 Cash Bonds balance at December 31, 2009, \$728,408.42 (82.8%) is from prior to April 30, 2005. Some items date as far back as 1990 in the hand posted Cash Bond Registers. The officials have posted in the computer system \$727,856.97 of the detail from prior to April 30, 2005, that they have researched and determined as still held in Cash Bonds. The older cases still need to be reviewed and forfeited by the Judge and then 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. The output of the computerized version does not include a total column that lists the cash bond balances at the report run date.

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 June 8, 2010, with Suzette Raggs, Clerk; Barbara J. Cox, Chief Deputy Clerk; Beverly Collinsworth, Fiscal Manager; and Michele Roby, Chief Accountant in the Controller's Office. The official response has been made a part of this report and may be found on pages 6 and 7.



**Gary City Clerk  
Suzette Raggs**

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

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

June 30, 2010

Mr. Bruce Hartman  
State Examiner  
State Board of Accounts  
302 W. Washington Street, Room B-418  
Indianapolis, Indiana 46204-2765

Re: Official Response to 2009 Audit Results & Comments

Dear Mr. Hartman:

This correspondence is in response to the receipt of the 2009 results and comments from the State Board of Accounts regarding its audit for the Criminal & Civil Divisions of the Gary City Clerk's office for the period of January 1, 2009 to December 31, 2009.

We continue to appreciate the observations and comments shared by the State Board of Accounts' representative, and reiterate that our ongoing progress 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. Our progress has been clearly noted and well received by the State Board of Accounts' representative as well as the general public.

The State Board of Accounts' representative met with the Clerk, the Chief Deputy Clerk, and the Fiscal Manager during a scheduled exit conference to discuss the contents of her report. The following is hereby submitted as our official response to that report.

CONDITION OF RECORDS  
(Response)

State Board of Accounts noted that "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. When the review of the old documents is completed, the detail should support the total cash balance as of April 30, 2005 for both Cash Bonds and Trust items.



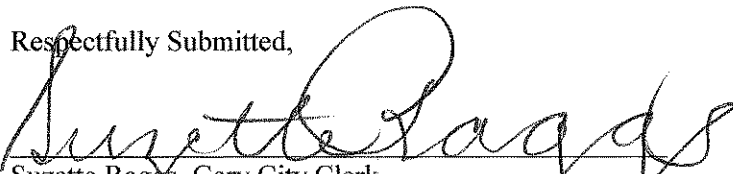
When the review of the old documents is completed, the detail should support the total cash balance as of April 30, 2005 for both Cash Bonds and Trust Items. Then the detail would be available to reconcile to the Clerk's Cash Book amount for both Cash Bonds and Trust subsidiary (detailed) ledgers. As 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."

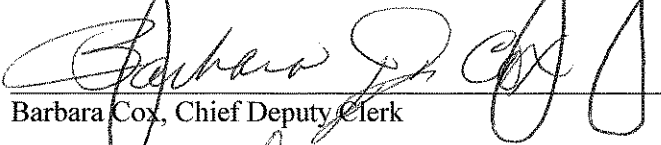
While there are further expanded comments within the 2009 audit restating the above, the only finding our office received from the State Board of Accounts' representative once again clearly indicates an understanding that until we can reconcile all of the outstanding bonds and trust items dating back to 1985, this finding could remain constant longer than we had initially anticipated.

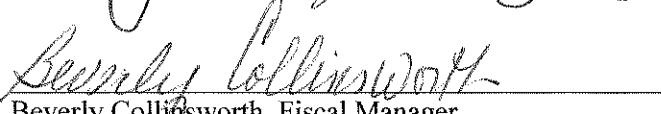
Our office has made significant progress in processing older cases and disbursing funds through developed procedures pursuant to State guidelines. However, the financial straits of the city is effecting our staffing levels to the extent that our efforts in the processing of said cases could be stalled considerably in the future.

It is unfortunate that we must continue to endure the consequences of the previous administration, but I continue to pledge our commitment for quality service to the citizens of our city and to those individuals from outside of the city who conduct business with us.

Respectfully Submitted,

  
Suzette Raggs, Gary City Clerk

  
Barbara Cox, Chief Deputy Clerk

  
Beverly Collinsworth, Fiscal Manager