

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

AUDIT REPORT

OF

CITY COURT

CITY OF JEFFERSONVILLE

CLARK COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED

02/28/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
City Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Receipts Not Deposited	4
Overpayment of Cash Bond.....	4
Receipts Not Deposited Timely	5
Posting Errors	5
Prescribed Forms	5
Exit Conference	6

CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Judge	Hon. Vicki L. Carmichael Hon. Scott Lewis	01-01-04 to 12-31-06 01-01-07 to 12-31-07
Mayor	Rob Waiz	01-01-04 to 12-31-07
President of the Board of Public Works	Rob Waiz	01-01-04 to 12-31-07
President of the Board of Common Council	Ron Grooms Barbara Wilson	01-01-05 to 12-31-05 01-01-06 to 12-31-06



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 JEFFERSONVILLE

We have audited the records of the City Court for the period from January 1, 2005 to December 31, 2005, 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 Results and Comments. The financial transactions of this office are reflected in the Annual Report of the City of Jeffersonville for the year 2005.

STATE BOARD OF ACCOUNTS

January 22, 2007

CITY COURT
CITY OF JEFFERSONVILLE
AUDIT RESULTS AND COMMENTS

RECEIPTS NOT DEPOSITED

The City hired an accountant to perform depository reconciliations of the City Court records to the bank account balances for the year 2005. The accountant identified \$7,324 of receipts from October 5, 2005 to October 11, 2005, that were not deposited. The receipts not deposited were brought to the attention of Vicki L. Carmichael, City Court Judge, who contacted the City of Jeffersonville Police Department. Information obtained from the police investigation disclosed that Christy Herchenrader, former City Court Clerk, had admitted to diverting the deposits for personal use. Charges were filed in Clark County Superior Court 3 against the former City Court Clerk.

The status of these proceedings will be reviewed by the State Board of Accounts during a subsequent audit of the City Court. If full restitution has not been made or a court ordered repayment plan has not been established, we may request a full refund of all monies still due from the responsible person. All parties involved would be notified of any decisions made by the State Board of Accounts at that time.

Indiana Code 5-13-14-3 states: "A public officer who knowingly fails to deposit public funds . . . except in the manner prescribed in this article, commits a Class B felony. The public officer also is liable upon the officer's official bond for any loss or damage that may accrue."

OVERPAYMENT OF CASH BOND

In April of 2004, the Clark County sheriff's office received a cash bond from Gracie Casillas in the amount of \$250. However, the receipt was written for \$2,500 instead of the \$250 actually received. When the bond was transferred to the City Court from the sheriff's office, a note was attached to the documentation indicating the mistake that had been made on the amount of the receipt. Christina Brown, City Court Clerk, recorded the bond in the proper amount on the court's cash book and trust ledger. When Gracie Casillas went to City Court to claim the cash bond in November of 2004, the court clerk disbursed from the trust ledger the amount of \$2,500 based on the receipt presented by Gracie Casillas. Christina Brown did not check the amount of the bond recorded in the trust ledger. A written repayment agreement was made between Gracie Casillas and the City to refund the overpayment to the City Court in the amount of \$2,225. City Court records indicate that restitution in the amount of \$2,225 is to be made in payments of \$50 bi-weekly.

A review of a case history shows that, as of January 10, 2007, no bi-weekly payments had been received since July 19, 2006.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY COURT
CITY OF JEFFERSONVILLE
AUDIT RESULTS AND COMMENTS
(Continued)

RECEIPTS NOT DEPOSITED TIMELY

Receipts were deposited later than the next business day, with some collections held in excess of 30 days prior to deposit. In some instances, the composition of cash and checks received did not agree with the composition the amount deposited.

All funds collected by a city or town court shall be deposited not later than the business day following the receipt of funds in depositories selected by the city or town as provided in an ordinance adopted by the city or town. All funds should be deposited in the same form in which they were received. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 4)

POSTING ERRORS

There were a considerable number of posting errors. These errors included checks and receipts not recorded in the proper amounts and balances not carried forward properly in the cash book.

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)

PRESCRIBED FORMS

The City Court did not use Employee's Service Record, Form 99A to maintain compliance with the City's compensated absences policies.

Each city and town court is required to use official records and forms that are designated by the legislature or prescribed or approved by the State Board of Accounts or the State Court Administration office of the Supreme Court. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 1)

CITY COURT
CITY OF JEFFERSONVILLE
EXIT CONFERENCE

The contents of this report were discussed on January 22, 2007, with the Hon. Vicki L. Carmichael, former Judge; and the Hon. Scott Lewis, Judge. The officials concurred with our audit findings.