

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

AUDIT REPORT  
OF

MARION COUNTY SMALL CLAIMS COURT  
WAYNE TOWNSHIP DIVISION  
MARION COUNTY, INDIANA

January 1, 2005 to December 31, 2006



**FILED**  
08/10/2007



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COURT OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Judge of the Small Claims Court	Honorable Robert Lutz Honorable Maxine E. King	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Chairman of the Township Board	Roger Bowser	01-01-05 to 12-31-07



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF MARION COUNTY SMALL CLAIMS COURT, WAYNE TOWNSHIP DIVISION

We have examined the records of the Marion County Small Claims Court, Wayne Township Division for the period from January 1, 2005 to December 31, 2006, 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 Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Wayne Township, Marion County, for the period January 1, 2005 to December 31, 2006.

STATE BOARD OF ACCOUNTS

July 24, 2007

MARION COUNTY SMALL CLAIMS COURT  
WAYNE TOWNSHIP DIVISION  
MARION COUNTY  
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances presented for examination were incorrect. Court personnel did compare the receipts and disbursements shown in the official records to deposits and checks cleared shown by the bank statement on a monthly basis. However, the reconcilments between the fund balance and bank account balance presented for examination did not identify all items necessary to reconcile the two balances.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or 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 Townships, Chapter 13)

PUBLIC RECORDS RETENTION

The receipts normally issued by the Court are printed from computer software. However, during times when the computer software is not operational, handwritten receipts are issued. The handwritten receipts issued were not presented for examination.

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

MARION COUNTY SMALL CLAIMS COURT  
WAYNE TOWNSHIP DIVISION  
MARION COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 23, 2007, with Honorable Maxine E. King, Judge; and on July 24, 2007, with Robert Lutz, former Judge. The official response has been made a part of this report and may be found on page 6.

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July 31, 2007

State Board of Accounts  
302 W. Washington Street, Rm. E418  
Indianapolis, Indiana 46204-2765

**RE: OFFICIAL RESPONSE**  
**Audit period 01-01-2005 to 12-31-2006**  
**Wayne Township of Marion County Small Claims Court**

Dear Gentilepersons:

As the judge who was in office during the time period covered by the above referenced audit please consider this my official response to the above Audit Results and Comments for the above audit period. I would like to have included in the audit report the following information:

The auditors stated in their comments that: *"Depository reconciliations of the fund balances to the bank account balances presented for examination were incorrect. Court personnel did compare the receipts and disbursements shown in the official records to deposits and checks cleared shown by the bank statement on a monthly basis. However, the reconcilements between the fund balance and bank account balance presented for examination did not identify all items necessary to reconcile the two balances."*

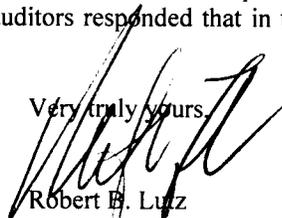
During the exit interview with the auditors this issue was discussed and it was the belief of the auditors that this balance discrepancy is caused by the computes accounting software. The auditor could not include that comment because she is not a computer expert. It was noted that at least one other small claims court in Marion County uses the same accounting software program and that court experiences the same problem with account reconciliation. It is my understanding that the accounting as done by the court does accurately reflect the handling of court funds and that all moneys are accounted for.

The auditors also stated in their comments that: *"The receipts normally issued by the Court are printed from computer software. However, during times when the computer software is not operational, handwritten receipts are issued. The handwritten receipts issued during the examination period were not presented for audit."*

The court staff when the computer then comes back on-line reprints the computer generated receipt and the handwritten receipt was then disposed of. This procedure is to be corrected and the court staff has been directed to maintain the original hand written receipt for the proscribed retention period. It is my understanding that the court records and the auditors believe that all moneys are accounted for.

Finally, during the exit interview I asked the auditors if in their opinion all of the funds handled by the court had been properly accounted for. The auditors responded that in their opinion the funds of the court had been accounted for.

Very truly yours,



Robert B. Lutz  
Former Judge, Wayne Township of Marion County  
Small Claims Court