

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

AUDIT REPORT

OF

CLERK OF THE CIRCUIT COURT

MADISON COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED
07/21/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk of the Circuit Court	Ludy Watkins	01-01-07 to 12-31-10
President of the County Council	Jeff Hardin John Bostic	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	John Richwine	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF MADISON COUNTY

We have audited the records of the Clerk of the Circuit Court for the period from January 1, 2007 to December 31, 2007, 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 Madison County for the year 2007.

STATE BOARD OF ACCOUNTS

June 2, 2008

CLERK OF THE CIRCUIT COURT
MADISON COUNTY
AUDIT RESULTS AND COMMENTS

CHANGE OF VENUE

During 2007, the County held court for change of venue cases; however, the County did not bill the other counties for the expenses incurred and paid. Therefore, no revenue was recognized in 2007 to offset the associated costs

Indiana Code 34-35-5-4 states:

"(a) Expenses shall be audited and allowed by the court to which the cause is venued. The allowance shall be certified by the court in duplicate to the auditor of the county, who shall:

- (1) retain one (1) of the certificates of allowance in the auditor's office; and
- (2) mail by certified mail the duplicate certificate of allowance to the auditor of the county in which the cause originated and from which such expenses are due.

(b) The auditor of the county in which the cause originated shall enter the duplicate certificate of allowance as a claim against the county in which the cause originated on the claim docket of the auditor's office for allowance by the board of county commissioners of the county at their next regular or special session. The certificate of allowance shall be allowed by the board of county commissioners unless it is contested and proved incorrect as provided in this chapter."

INTERNAL CONTROLS

Controls over the receipting, disbursing, recording, and accounting for the online payments received by the Juvenile Probation Department were insufficient. The online payments related to various fees that the Juvenile Probation Department recently began collecting for the Clerk of the Circuit Court via ordinance. These fees include: Restitution, Placement, Detention, Docket, Attorney and Countermeasures fees. The unit's intent was to collect and deposit the fees at the Juvenile Probation Center and later forwarded the fees to the Clerk of the Circuit Courts' office via check. The online payments related to these fees have not been remitted to the Clerk of the Circuit Courts' office as originally intended per ordinance. The vendor used for the online payments has not provided the unit with a detailed listing of online payments received.

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. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Court, Chapter 13)

CLERK OF THE CIRCUIT COURT
MADISON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 2, 2008, with Ludy Watkins, Clerk of the Circuit Court; and Becky Gary, Chief Deputy. The officials concurred with our audit findings.