

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

AUDIT REPORT

OF

COMMUNITY JUSTICE CENTER

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> |
|---------------------------------------------------|----------------------------|----------------------------------------------|
| Executive Director | Ann Roberts | 01-01-07 to 12-31-08 |
| 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 Community Justice Center 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 3, 2008

COMMUNITY JUSTICE CENTER
MADISON COUNTY
AUDIT RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were present during our period of audit:

- (1) Record balances were not reconciled to depository balances. There was a check written for \$1,350.76 which cleared the bank on December 16, 2005, but was listed as outstanding in the unit's reconcilements. There was also an unidentified cash short of \$9.93 at year end.

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."

- (2) There were a number of posting errors. These errors included an error in carrying forward ledger balances from February 2007 to March 2007. The amount carried forward for March 1, 2007, was \$600 less than the correct ledger balance from February 28, 2007. There was also an error discovered in posting to one individual's inmate trust account.

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. Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

OLD OUTSTANDING CHECKS

As stated in prior Report B30313, our review of the bank reconcilements for the Commissary fund as of December 31, 2007, revealed checks outstanding in excess of two years. Some checks dated as far back as April 2000. These checks need to be removed from the outstanding checklist and turned over to the attorney general.

Indiana Code 5-11-10.5-2 states in part:

"All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void. . . ."

COMMUNITY JUSTICE CENTER
MADISON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the: (1) board of finance of the political subdivision; or (2) the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

Indiana Code 32-34-1-26(a) states in part:

"A holder of property that is presumed abandoned and that is subject to custody as unclaimed property under this chapter shall report in writing to the attorney general concerning the property."

Indiana Code 32-34-1-20 states in part (c):

"Property that is held, issued, or owed in the ordinary course of a holder's business is presumed abandoned if the owner or apparent owner has not communicated in writing with the holder concerning the property or has not otherwise given an indication of interest in the property during the following times: . . .

- (7) For property held by a state or other government, governmental subdivision or agency, or public corporation or other public authority, one (1) year after the property becomes distributable."

COMMUNITY JUSTICE CENTER
MADISON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 3, 2008, with Ann Roberts, Executive Director; and Terri Hill, Business Manager. The officials concurred with our audit findings.