

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

AUDIT REPORT

OF

JUVENILE PROBATION DEPARTMENT

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>
Juvenile Probation Director	Katherine Holtzleiter	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 Juvenile Probation Department 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

JUVENILE PROBATION DEPARTMENT
MADISON COUNTY
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect. The Juvenile Probation Department is not properly tracking certain online payments earmarked for the Clerk of the Circuit Court. The online payments have been deposited in the Juvenile Probation Department account but all payments received have not been remitted to the Clerk of the Circuit Court's office as originally intended. The vendor used for the online payments has not provided the unit with a detailed listing of online payments received. The Juvenile Probation Department account shows a cash long of \$1,242 at year end. The unit is in the process of trying to resolve this issue via discussions with the computer software vendor and the online payment vendor.

Indiana Code 5-13-6-1(e) states: "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."

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 Court's office via check. The online payments related to these fees have not been remitted to the Clerk of the Circuit Court's 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 Counties, Chapter 1)

JUVENILE PROBATION DEPARTMENT
MADISON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 3, 2008, with Katherine Holtzleiter, Juvenile Probation Director. The official concurred with our audit findings.