

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

EXAMINATION REPORT  
OF  
MARION COUNTY SMALL CLAIMS COURT  
CENTER TOWNSHIP DIVISION  
MARION COUNTY, INDIANA  
January 1, 2007 to December 31, 2008



**FILED**  
05/12/2010



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COURT OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Judge	Honorable Michelle Smith Scott	01-01-07 to 12-31-10
Chairman of the Township Board	Phyllis A. Carr	01-01-07 to 12-31-07
	Howard Smith	01-01-08 to 12-31-08
	Linda Journey	01-01-09 to 12-31-09
	Phyllis A. Carr	01-01-10 to 12-31-10



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

We have examined the records of the Marion County Small Claims Court, Center Township Division for the period from January 1, 2007 to December 31, 2008, 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 Center Township, Marion County, for the years 2007 and 2008.

STATE BOARD OF ACCOUNTS

April 12, 2010

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

OFFICIAL BOND

The official bond for the Small Claims Court Judge was not filed in the Office of the County Recorder for the years 2008 and 2009.

IC 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

DEPOSITS

Fifty-five percent of the deposits reviewed were not deposited in a timely manner. Additionally, some receipts were observed that could not be verified to a specific deposit.

IC 5-13-6-1 states in part:

"(c) Except as provided in subsection (d), all local officers, except township trustees, who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the several local boards of finance that have jurisdiction of the funds. The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month. Public funds deposited under this subsection shall be deposited in the same form in which they were received."

IC 5-13-6-1(c) states in part:

"Public funds deposited . . . shall be deposited in the same form in which they were 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.

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 Townships, Chapter 13)

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

The contents of this report were discussed on April 12, 2010, with Honorable Michelle Smith Scott, Judge; Charlotte M. Scott, Team Leader; and Al Mizen, Township CFO. The official response has been made a part of this report and may be found on page 6.

# CENTER TOWNSHIP of MARION COUNTY

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To All Users of This Report:

Center Township of Marion County thanks the State Board of Accounts for their professional work in presenting this audited financial report and the findings included. We appreciate the expertise and thoroughness that they have employed during the audit engagement to verify the accuracy, accountability, and reliability of the information presented.

The elected officials and the management team would like to address the following issues related to this audited financial report.

1. We recognize the dedicated efforts and accomplishments of the Township team members in their performance of their responsibilities to allow this audit report to be issued with no improprieties or internal control exceptions identified.
2. The audit results and comments included in this report have been reviewed by the Trustee, Court, and the management team and have been addressed as indicated below:

Official Bonds – The Township in the past has relied on a representative of the insurance agency issuing the officials bonds to record official bonds. The task of recording the bond appears to have been overlooked during a change in the agency responsible for the issuance of the bonds. Township personnel have taken action to verify that upon delivery, official bonds are recorded as required. Action should reasonably assure compliance with the recording requirement.

Deposits – The requirement for timely deposit of Court receipts have been discussed with court supervisors and staff. The issues that create delays and the necessity for staff cooperation in complying with this requirement were discussed. Staff activities and procedures will be monitored and systems will be developed that will enable the compliance with the daily deposit requirements.

Management of Center Township is proud of the sound business practices it has implemented and continues to seek ways to provide services efficiently, to maintain and strengthen accountability, and to continue responding to the changing requirements of entities that establish operational guidelines for small claims courts.

Management decisions have resulted in efficient operations, material compliance with statutes and guidelines, and public accountability, with minimal impact on the overall property taxes paid by constituents. The Township will continue to operate in a professional manner in order to assure taxpayers' investments in Township operations continue to efficiently provide the greatest return possible.

The Township respectfully submits this response for inclusion in this audited financial report. Comments and questions from taxpayers and users of this report are always welcome.

Sincerely

Michelle Smith-Scott  
Judge

William E. Douglas  
Trustee