

**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, 2012 to December 31, 2012



**FILED**  
09/12/2013



TABLE OF CONTENTS

| <u>Description</u>                                                    | <u>Page</u> |
|-----------------------------------------------------------------------|-------------|
| County Officials .....                                                | 2           |
| Transmittal Letter .....                                              | 3           |
| Audit Results and Comments:                                           |             |
| Condition of Records - CJC Commissary/Inmate Trust Fund .....         | 4           |
| Bank Account Reconciliations - CJC Commissary/Inmate Trust Fund ..... | 5           |
| Exit Conferences .....                                                | 6           |
| Official Response .....                                               | 7           |

COUNTY OFFICIALS

| <u>Office</u>                                     | <u>Official</u>                       | <u>Term</u>                                  |
|---------------------------------------------------|---------------------------------------|----------------------------------------------|
| Director                                          | Ann Roberts                           | 01-01-12 to 12-31-13                         |
| President of the<br>County Council                | William Michael Phipps<br>John Bostic | 01-01-12 to 12-31-12<br>01-01-13 to 12-31-13 |
| President of the Board of<br>County Commissioners | John Richwine                         | 01-01-12 to 12-31-13                         |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

---

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF MADISON COUNTY

We have audited the records of the Community Justice Center for the period from January 1, 2012 to December 31, 2012, 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 2012.

STATE BOARD OF ACCOUNTS

July 29, 2013

COMMUNITY JUSTICE CENTER  
MADISON COUNTY  
AUDIT RESULTS AND COMMENTS

**CONDITION OF RECORDS - CJC COMMISSARY/INMATE TRUST FUND**

Financial records presented for audit were incomplete and not reflective of the activity of the CJC Commissary/Inmate Trust Fund. The records presented did not provide sufficient information to establish beginning balances, receipts, disbursements, ending balances. We could not determine the accuracy or correctness of the transactions. An accurate Trust Fund balance and supporting detail was determined to be inaccurate and not reliable. This fund is not material to the overall financial statement of the County; therefore, the condition of records did not affect the opinion on the Madison County Financial Statement.

The deficiencies included:

1. The Ledger of Receipts, Disbursements, and Balances recorded the bank activity not the fund activity. It did not include the receipt numbers and amounts or the check numbers and amounts, thus it did not provide transaction information to provide a fund balance.
2. The fund balance should have reflected the Inmate Trust funds. We did not receive a detail of the inmate's trust funds to make a comparison with the balance provided.
3. The Inmate Trust Balance report, presented for audit, totaled \$4,297.71. A reconciliation of the bank account with the data presented for audit, indicated the reconciled cash balance was \$1,761.75 at year end.

A similar comment appeared in prior Report B40809.

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 of Indiana, Chapter 1)

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

***BANK ACCOUNT RECONCILIATIONS - CJC COMMISSARY/INMATE TRUST FUND***

Depository reconciliations of the fund balances to the bank account balances for the CJC Commissary/Trust Fund were not presented for audit. Attached to each bank statement was a report titled "MCCC Commissary Account Summary" (Account Summary). This report included much of the information needed for the bank reconciliation, but did not carry a record or bank balance. The Account Summary included details for the monthly checks written and deposits made. An outstanding list of deposits and outstanding list of checks was also part of the Account Summary. We noted the Account Summaries for each month in 2012 were printed on March 13, 2013, so this documentation did not support preparation of financial information on a monthly basis for a timely reconciliation.

In 2012, the CJC Commissary/Trust Fund bank account had deposits (credits) of \$165,536.64, checks clearing (debits) of \$160,242.19 and a bank account balance of \$12,145.44 at December 31, 2012. Using the outstanding check data from the December Account Summary bank balance, we calculated a net balance of \$1,761.75. This calculation was not verified. No ledger was provided to support a fund balance. Additionally, the Trust Balance Report provided for year-end indicated the total was higher than the net bank balance. The Trust Balance Report also may not have been reliable, as it had activity related to 2013.

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."

COMMUNITY JUSTICE CENTER  
MADISON COUNTY  
EXIT CONFERENCES

The contents of this report were discussed on July 29, 2013, with Ann Roberts, Director; Terrie Hill, Business Manager; Steve Gerard, Security Supervisor; and Jordan Overdorf, Correctional Officer. The Official Response has been made a part of this report and may be found on page 7.

The contents of this report were discussed on July 30, 2013, with Jane Lyons, Auditor, and Stephanie Owens, County Commissioner.

Dear Ms. Cannon,

This letter is an official response to the Madison County Community Justice Center's Exit Interview Audit conducted on July 29, 2013:

#### Deficiencies

1. The Leger of Receipts, Disbursements and Balances recorded the back activity not the fund activity. It did not include the receipt numbers and amounts or the check numbers and amounts, thus it did not provide transaction information to provide a fund balance.

**CORRECTIVE ACTION:** We will correct the bank statements from January 1, 2012 to December 31, 2012 by entering the proper receipts and checks in our Ledger Book. Thereafter, the receipts and checks will be entered on a weekly basis by the Business Department.

2. The fund balance should have reflected the Inmate Trust funds. We did not receive a detail of the inmate's trust funds to make a comparison with a balance.

**CORRECTIVE ACTION:** We are contracted with TurnKey to partially operate the Madison County Correctional Complex's Commissary Account. Therefore, this information will be ran from TurnKey's data base on a monthly basis and the information will be placed in a binder for the auditors review.

3. The Inmate Trust Balance report, presented for audit, totaled \$4,297.71. A reconciliation of the bank account with the data presented for audit, indicated the reconciled cash balance was \$1,761.75.

**CORRECTIVE ACTION:** We opened a new Commissary account with our bank in April, 2013, due to we had to begin with a zero balance when we began operations with TurnKey. We are up-to-date on our bank balances for 2013 year. We will correct the receipts and disbursements from the bank statements and in our ledger book from January 2012 to December 2012. This will correct the bank reconciliation and give us the corrected balance for the year end of 2012.

If you have any questions, please contact me. Thank you for your assistance in this matter.

Ann Roberts  
Executive Director  
Madison County Community Justice Center  
123 E. 10<sup>th</sup> Street  
Anderson, Indiana 46016  
(765) 649-7341, ext. 3511