

**TOWN OF WHITESTOWN, INDIANA  
RESOLUTION NO. 2019-27**

**A RESOLUTION CONCERNING INTERNAL CONTROL STANDARDS  
FOR THE WHITESTOWN TOWN COURT**

WHEREAS, the Town Council of the Town of Whitestown (“Council”) is the governing body for the Town of Whitestown (“Town”); and

WHEREAS, effective internal controls provide reasonable assurance of reliable financial information, compliance with applicable laws and regulations, and effective and efficient operations; and

WHEREAS, internal controls help minimize errors and misuse of funds, provide a clear audit trail, and provide early detection of errors and/or irregularities; and

WHEREAS, the Council has previously adopted the Uniform Internal Control Standards for Indiana Political Subdivisions pursuant to Indiana Code § 5-11-1-27(g); and

WHEREAS, the Whitestown Town Court is under the purview of a part-time Town Judge; and

WHEREAS, the Council desires to assist in the implementation of and provide internal control standards to help further the functions of the Town Court.

**NOW, THEREFORE, BE IT RESOLVED** by the Town Council of the Town of Whitestown, Indiana, that the “Whitestown Town Court Internal Control Standards” attached hereto as Exhibit A is hereby adopted.

PASSED AND ADOPTED BY THE WHITESTOWN, INDIANA TOWN COUNCIL  
THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2019.

THE TOWN COUNCIL OF THE  
TOWN OF WHITESTOWN, INDIANA

YAY/NAY

\_\_\_\_\_  
Clinton Bohm, President

\_\_\_\_\_  
Susan Austin, Vice-President

\_\_\_\_\_  
Eric Miller

\_\_\_\_\_  
Kevin Russell

\_\_\_\_\_  
Jeffrey Wishek

**ATTEST:**

\_\_\_\_\_  
Matt Sumner, Clerk-Treasurer  
Town of Whitestown, Indiana

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## **Exhibit A**

### **Whitestown Town Court Internal Control Standards**

#### **Control Environment**

The Town Court staff is comprised of the Town Judge and Court Clerk. The staff may also include a bailiff. The Town Judge is an elected part-time official. The Court Clerk is appointed by the Town Judge, and serves at the pleasure of the Town Judge. Appropriations, salaries/wages, and benefits are set by the Town Council. The Clerk-Treasurer is the fiscal officer of the Town.

The Town of Whitestown is committed to integrity and ethical values. Court staff are required to review and adhere to the Town's Employee Manual, including the Code of Ethics set forth in the Employee Manual. Failure to adhere to the Town's values may subject court staff to discipline, including termination.

The Town is committed to recruit, develop, and retain quality Town Court staff. The Town offers competitive pay and benefits, including opportunities for continuing education, advanced certifications, and a tuition reimbursement policy as set forth in the Employee Manual.

#### **Risk Assessment**

The Town Court serves an important function in the enforcement of state and local laws, including in the collection of fines and penalties. Potential risks and management associated with its functions include:

- Ensuring appropriate legal procedural safeguards (i.e., due process).
  - o Managed by judicial process and opportunity for appeal.
- Failing to adequately enforce/collect.
  - o Managed by reconciliation of tickets (InCite) with management software (Keystone or Odyssey), regular reporting/review of unaccounted for or stale items, and state audits
- Violations dismissed/removed (i.e., tickets written off) without proper authority.
  - o Managed by reconciliation of tickets (InCite) with management software (Keystone or Odyssey), regular reporting/review of unaccounted for or stale items, clear procedures for dismissal, and state audits.
- Misappropriation or theft of public funds.

- Managed by limited forms of payment (no cash acceptance), limited disbursements, segregation of duties, regular reconciliation, and state audits.
- Inadequate record keeping and reporting.
  - Managed by adequate training, regular reconciliation, regular review of records, and state audits.

### Control Activities

- Duties of Court Clerk – The Court Clerk is appointed by the Town Judge. If the Town Judge does not appoint a Court Clerk, the Town Clerk-Treasurer shall serve as the Court Clerk. The Clerk of the Town Court shall:
  - Issue all process of the court, affix the seal of the court to the process, and attest to the process;
  - Keep a complete record and docket of all cases, showing: the name of a person who was charged and brought before the court; the disposition of the case; and an account of the fees, fines, penalties, forfeitures, judgments, executions, decrees, and orders in as near the same manner as the records are kept by the clerk of the circuit court;
  - Collect all fees, fines, penalties and forfeitures, judgments, executions, and money accruing to the Town from the enforcement of ordinances;
  - Ensure that all distributions are timely made.
- Separation of Accounting Duties – The person entering payment/resolution information into the ticket accounting software (Keystone/Odyssey) cannot accept payments. The Town will allow the Court to use a second Town employee for purposes of either (a) accepting payments, or (b) entering ticket resolutions into the software.
- Form of Payment – No cash shall be accepted by the Town Court. This policy should be clearly communicated on the Court’s website and where payment is accepted at the Municipal Complex.
- Deposit of Funds – All funds collected by the Town Court shall be deposited not later than the business day following the receipt of funds in a depository approved by the Town Council. All funds shall be deposited in the same form in which they were received.
- Optical Images of Checks - IC 5-15-6-3(a) authorizes financial institutions to provide optical images of checks in lieu of the actual canceled checks. However, IC 26-2-8-

111(e) requires such optical images to contain the information on both the front and back of the checks.

- Ticket Dismissals – Tickets may be dismissed or withdrawn only by the Judge, the Prosecutor, the Town Attorney, the Officer originating the ticket, or the Chief of Police. All resolutions through the Judge should be reflected in the court record. The Court Clerk shall keep a separate record of all other dismissals/waivers, and shall provide a monthly report to the Judge, Prosecutor, and Chief of Police showing all dismissals/waivers by someone other than the Judge.
- Reporting of Unresolved Items – The Court Clerk shall monthly report to the Prosecutor and Chief of Police a list of all tickets over six months old that have not proceeded to judicial resolution, license suspension, approved dismissal/withdraw, deferral agreement, or are not set for a hearing.
- Monthly Reconciliation – Financial records of the Town Court shall be reconciled at least monthly. Reconciliations shall also be monthly reviewed by the Town’s external Financial Advisor.
- Correction of Errors – Receipt and disbursement corrections or other errors should be corrected by memorandum entry with the issuance of a check and receipt to document the flow of the transactions.
- Conditions of Records – At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund.
- Records Retention – The following retention schedules currently apply:

<u>City and Town Form No.</u>	<u>Form</u>	<u>Retention Period</u>
213CT (Rev. 2012)	City/Town Court Cash Book	Permanent
213A (1992)	City/Town Court Detailed Ledger of Local User Fees	Permanent
214CT (Rev. 2012)	City/Town Court Receipt	6 Years
215CT (Rev. 2009)	City/Town Court Check	10 Years
217CT (Rev. 2005)	Report to County Auditor of Fines and Fees Collected in City/Town Court	4 Years
218CT (Rev. 2008)	City/Town Court Transmittal Report to Fiscal Officer	4 Years
219CT (Rev. 2012)	City/Town Court Daily/Monthly Balance Record	Permanent
County Form 41 (1990)	Fee Book	6 Years

Notwithstanding the foregoing, no financial records may be destroyed until an audit by the State Board of Accounts has been completed, report filed, and any exceptions set out in the report are satisfied. When destroying records that are not permanent, a Court Clerk must submit documentation of the destruction to the County Commission on Public Records and the State Archives. The court should also notify any active genealogical societies and historical societies located in the county before destruction.

- Training – The Court Clerk should keep apprised of training opportunities relating to the functions of Court Clerk in Indiana. The Court Clerk shall yearly report to the Town Judge and Town Manager all training received by the Clerk.
- Responsibility – Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance or nonfeasance in the office of any officer or employee may be the personal obligation of the responsible officer or employee.
- Court Procedures – The Town Judge may provide for additional controls, procedures, and requirements of the Court Clerk. Such materials should be clearly communicated to the Court Clerk.

#### Information and Communication

The Town Manager and Town Judge shall ensure that these standards are provided to the Court Clerk and other responsible officials within 5 days of adoption, or any new hire. Management should communicate to staff that internal control responsibilities must be taken seriously.

All persons accepting or handling payments shall annually review the training materials provided by the State Board of Accounts.

#### Monitoring Activities

The Town Judge should biannually review the performance of the Court Clerk, and report any deficiencies or concerns to the Town Manager or Town Council President. In addition, not less than yearly, the Court Clerk shall meet with the Town Judge, Town Manager, and Clerk Treasurer to review the recordkeeping of the Court. All State Board of Accounts audits will be reviewed with the Town Judge, Town Council President, Town Manager, and applicable staff.

These standards may be amended/updated by the Town Council President following consultation with the Town Judge.