

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

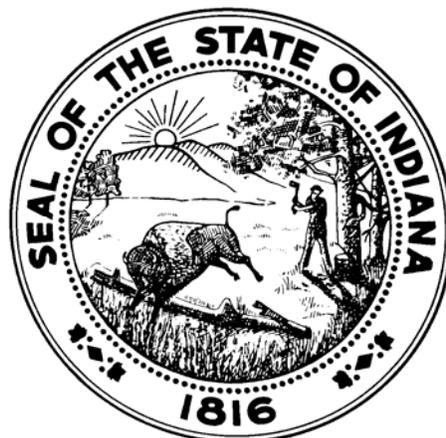
AUDIT REPORT

OF

COUNTY SHERIFF

ELKHART COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED

08/24/2006

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Michael Books	01-01-03 to 12-31-06
President of the County Council	John K. Letherman	01-01-05 to 12-31-06
President of the Board of County Commissioners	Phil R. Stiver	01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF ELKHART COUNTY

We have audited the records of the County Sheriff for the period from January 1, 2005 to December 31, 2005, 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 Elkhart County for the year 2005.

STATE BOARD OF ACCOUNTS

June 26, 2006

COUNTY SHERIFF
ELKHART COUNTY
AUDIT RESULTS AND COMMENTS

INMATE TRUST FUND - CONDITION OF RECORDS

Financial records presented for audit had no beginning or ending balances for the fund. The records presented contained some errors, and receipts and disbursements were not totaled each month. Reconcilements of the inmate's cash balances -the control - to the bank were not made. The current software does not differentiate totals in a manner that will allow a reconciliation of inmate balances with the bank. The Department is currently working with the software company to reconcile this problem.

The Department has set a policy and a cash fund of \$40 to be used for cashing inmate's checks upon their release. The releasing officers are supposed to cash checks issued for \$5 or less. Because this policy was not followed, 144 small checks from 2005 remain on the outstanding check list, which makes reconcilements very cumbersome.

At all times, the manual and/or 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. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

Each governmental unit is responsible for complying with ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

BANK ACCOUNT RECONCILIATIONS - WORK RELEASE TRUST FUNDS

Depository reconciliations of the fund balances to the bank account balances were not presented for audit. The cumulative difference between the control fund ledger balance and the bank balance was \$1,228.92. Currently the Department is reconciling monthly to this difference.

There are a number of prescribed forms that the software needs to provide. The department has advised that they will contact the software company so they can program for these forms to be printed.

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."

PAYMENT FOR TAX WARRANT COLLECTIONS

Information presented for audit of the Sheriff's Department indicates the Sheriff received 10% for collection of tax warrants for which he is entitled. However, when his personal fees reached \$40,000 in 2005, the subsequent 10% warrant fees were split, the Sheriff receiving 20%, the Sheriff's Pension Fund receiving 40%, and the other 40% of the fees went to the County General Fund. The Sheriff should receive all fees, except for a single warrant of \$400,000 or over collected, which would then require the type of split explained above.

Indiana Code 6-8.1-8-3(c)(3) regarding the collection of tax warrants states in part: ". . . the sheriff shall keep the part of the collections that represents the ten percent (10%) collection fee. . . ."

An Advisory Letter (No. 05-23) from the Attorney General states that the \$40,000 limitation applies to amounts collected on each individual tax warrant and therefore, unless the Sheriff has a salary contract under Indiana Code 36-2-13-2.5, the sheriff is entitled to keep up to the \$40,000 of the tax collection fee per tax warrant before the distribution formula provided for in Indiana Code 6-8.1-8-3(f) starts to apply.

COUNTY SHERIFF
ELKHART COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 26, 2006, with Michael Books, Sheriff; and William C. Fletcher, Fiscal Manager. The officials concurred with our audit findings.