

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

AUDIT REPORT

OF

COUNTY SHERIFF

HARRISON COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED

08/29/2006

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Mike Deatrick	01-01-03 to 12-31-06
President of the County Council	Gary Davis	01-01-05 to 12-31-06
President of the Board of County Commissioners	J.R. Eckart	01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF HARRISON 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 Harrison County for the year 2005.

STATE BOARD OF ACCOUNTS

April 20, 2006

COUNTY SHERIFF
HARRISON COUNTY
AUDIT RESULTS AND COMMENTS

PERSONAL EXPENSES

Flowers were purchased from the Sheriff's Commissary Fund for County Sheriff employees who were sick or had a death in their family. The total amount of funds spent on flowers for County Sheriff employees from the Commissary Fund in 2005 was \$1,148.

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

BUY MONEY

Commissary funds in the amount of \$500 were used as "Buy Money" to purchase controlled narcotics and other illegal items.

The following procedures should be followed in handling such funds:

- (1) Under Indiana Code 36-1-3 an ordinance should be passed allowing this type of program and associated expenditures;
- (2) An appropriation for such purpose should be provided in the manner authorized by state statutes;
- (3) Petty cash fund procedures are followed as authorized by IC 36-1-8-3; and
- (4) A minimum documentation procedure to be followed, similar to either:
 - (a) Guidelines for Confidential Expenditures, Appendix J, Indiana Criminal Justice Planning Agency Financial Guide; or
 - (b) Guidelines for Withdrawal of Money and Reporting Procedures of Enforcement Aid Fund Monies, Indiana State Police Department. (April 2001 County Bulletin, Volume 337, Page 10)

SUPPORTING DOCUMENTATION

Several payments from the Sheriff's Commissary Fund were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accountability and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

COUNTY SHERIFF
HARRISON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

DEPOSITS

In numerous instances, Inmate Trust receipts were deposited later than the next business day. Receipts of Inmate Trust funds indicate that monies were received daily; however, only six deposits were made during the month of December.

Indiana Code 5-13-6-1(c) states in part: "All local officers . . . 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 . . . local boards of finance. . . ."

INMATE TRUST RECORDS

The Inmate Trust records are kept on a computerized system. Individual inmate records are kept as a subsidiary record to the Inmate Trust Ledger. Individual inmate trust reports are run monthly. There are no reports with individual inmate records that balance to the ledger.

The ledger does not currently reconcile with the bank.

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)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance or public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

COUNTY SHERIFF
HARRISON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 11, 2006, with Mike Deatruck, Sheriff; Carolyn Creal, Office Manager/Bookkeeper; and Carole Gaither, Inmate Trust Bookkeeper. The officials concurred with our audit findings.