

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

EXAMINATION REPORT
OF
COUNTY PROSECUTING ATTORNEY
SCOTT COUNTY, INDIANA
January 1, 2005 to December 31, 2005



FILED
02/23/2007

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Prosecuting Attorney	Jason M. Mount	01-01-05 to 12-31-10
President of the County Council	James D. Buchanan Stephan Patrick Bridgewater Kelley Robbins	01-01-05 to 12-31-05 01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the Board of County Commissioners	Larry D. Blevins Mark Hays Robert C. Tobias	01-01-05 to 12-31-05 01-01-06 to 12-31-06 01-01-07 to 12-31-07



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TO: THE OFFICIALS OF SCOTT COUNTY

We have examined the records of the Prosecuting Attorney 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 Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Scott County for the year 2005.

STATE BOARD OF ACCOUNTS

January 16, 2007

COUNTY PROSECUTING ATTORNEY
SCOTT COUNTY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The Prosecuting Attorney's Office maintains five separate funds: Prosecutor's Investigation Fund, Scott County Fire Investigation Fund, Old Bad Check Fund, New Bad Check Fund, and Bad Check Fund 2005. Financial records for these funds were not properly maintained. Deficiencies noted relating to the financial records for these funds are as follows:

1. A Ledger of Receipts, Disbursements and Balances, General Form 358, was not maintained for the Old Bad Check Fund, Prosecutor's Investigation Fund, and Scott County Fire Investigation Fund. A Ledger of Receipts, Disbursements and Balances was maintained for the New Bad Check Fund and the Bad Check Fund 2005; however, the ledgers contained numerous errors in the posting of transactions.

Official and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

2. A detailed record was not maintained for the Old Bad Check Fund and the New Bad Check Fund identifying to which merchants money was owed. As of December 31, 2005, the Old Bad Check Fund and the New Bad Check Fund had balances of \$814 and \$17,260, respectively.

Detailed subsidiary records identifying to whom money is owed in the Bad Check Fund 2005 were maintained; however, the records did not agree with the corresponding control balance shown in the Ledger of Receipts, Disbursements and Balances. At December 31, 2005, a difference of \$425 existed between the detailed subsidiary records and the control amount shown in Ledger of Receipts, Disbursements, and Balances preventing proper identification of the parties to whom the monies belong and the amounts owed to each.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledgers, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledger, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Manual for Counties of Indiana, Chapter 1)

3. Record balances were not reconciled to depository balances for the Old Bad Check Fund, the New Bad Check Fund, Prosecutor's Investigation Fund, and Scott County Fire Investigation Fund. Some reconcilements of the depository balance to the record balance were performed for the Bad Check Fund 2005; however, the reconcilements indicated that the record balance did not agree with the depository balance and no attempt was made to identify the difference.

Indiana Code 5-13-6-1(e) states: "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."

4. Collections were not deposited timely. A review of receipts for 2005 noted instances in which receipts were deposited up to 24 days after the issuance of the receipts.

COUNTY PROSECUTING ATTORNEY
SCOTT COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

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 or depositories selected by the . . . local board of finance . . ."

The failure to properly maintain financial records is a persistent problem. A similar comment was included in the 2003 and 2004 audit reports.

FISCAL ADMINISTRATION OF FUNDS

The County appropriates monies for arson and prosecutor investigations from the General Fund. During the course of the year, the Board of County Commissioners authorizes payments to the Prosecuting Attorney's office. The payments represent distribution of monies based upon the amount appropriated and are not based upon actual claims with itemized supporting documentation. The Prosecuting Attorney has established a separate checking account to deposit the distributions and to pay expenses related to arson and prosecuting attorney investigations.

The above process results in specific expenditures incurred by the Prosecuting Attorney's office not being audited by the County Auditor, disbursed by the County Treasurer and not being approved by the Board of County Commissioners.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

Indiana Code 36-2-10-9 states in regards to the duties of the County Treasurer: "The treasurer shall receive money to which the county is entitled and shall disburse it on warrants issued and attested by the county auditor."

As of November 1, 2006, the cash balances of funds maintained by the Prosecuting Attorney were as follows:

Prosecutor Investigation Fund	\$ 4,376.12
Scott County Fire Investigation Fund	\$ 1,156.50

We recommended the balances in the above funds be transferred to the County Treasurer.

COUNTY PROSECUTING ATTORNEY
SCOTT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on January 16, 2007, with Robert C. Tobias, President of the Board of County Commissioners, and on January 24, 2007, with Jason M. Mount, Prosecuting Attorney.