

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

AUDIT REPORT
OF
COUNTY COMMUNITY CORRECTIONS
DUBOIS COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
07/27/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Overpayment of Community Corrections Director's Compensation	4
Leave Benefits for Community Corrections Director.....	4
Condition of Records	4-6
Deposits	6
Optical Images of Warrants	6-7
Prescribed Forms	7
Exit Conference.....	8

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Paul Eckert J.P. Weisheit	01-01-06 to 02-15-06 02-16-06 to 12-31-07
President of the County Council	Gregory A. Kendall	01-01-06 to 12-31-07
President of the Board of County Commissioners	John G. Burger	01-01-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF DUBOIS COUNTY

We have audited the records of the County Community Corrections for the period from January 1, 2006 to December 31, 2006, 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 Dubois County for the year 2006.

STATE BOARD OF ACCOUNTS

June 5, 2007

COUNTY COMMUNITY CORRECTIONS
DUBOIS COUNTY
AUDIT RESULTS AND COMMENTS

OVERPAYMENT OF COMMUNITY CORRECTIONS DIRECTOR'S COMPENSATION

Due to a calculation error made by the Community Corrections Director, the Director received more compensation than what was approved in the Community Corrections grant and budget. The overpayment of \$348.27 occurred during payroll periods ending February 28, 2006, and March 15, 2006. The overpayment will be repaid through equal adjustments to payroll over the pay periods remaining in the grant's budget year which ends on June 30, 2007.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

LEAVE BENEFITS FOR COMMUNITY CORRECTIONS DIRECTOR

The Director of the Community Corrections Department was hired in 2006 by the Community Corrections Advisory Board and granted leave benefits like an employee with more than 10 years of service. The personnel policy of the County states that no leave is earned until after the first year of employment. There was no evidence that the County Executive approved this exception to the County's policy. The Director was paid for 16 days of leave totaling \$2,541.60 during 2006.

Indiana Code 11-12-2-3.5 (b) states: "The community corrections advisory board may establish personnel policies, procedures, and salary classification schedules for its employees. Employees of a community corrections program are county employees. The policies, procedures, and schedules established under this subsection may not be inconsistent with those established for other county employees."

Responsible officials could be personally liable for future noncompliance.

In the May 7, 2007, County Commissioner's meeting, the Commissioners retroactively approved the three weeks of vacation leave for 2006 for the Director.

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping, which were cited in the prior report, were again present during our period of audit:

1. Depository reconciliations of the project income, commissary and indigent account balances were not presented for audit, were not performed in a timely manner or were incorrect allowing for a cash overdraft in December of the project income bank account in the amount of \$193.94 and overpayments during 2006 to the County Treasurer in the amount of \$1,971.55.

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."

COUNTY COMMUNITY CORRECTIONS
DUBOIS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

The cash balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

2. The Project Income Ledger presented for audit was incomplete and not reflective of the activity of the Community Corrections Work Release, Day Reporting, Community Services and Other fund activity. Checks issued were not posted to the Project Income Ledger. The ledger presented did not provide sufficient information to audit disbursements and ending balances or the accuracy or correctness of the transactions.

The Indigent Fund Control Ledger did not reflect any month-to-date or year-to-date totals. Transactions were posted to the wrong columns and records did not reflect transactions in chronological order. The Indigent Fund Subsidiary Ledger was not presented for audit and receipts (Form 352) for Indigent Fund collections were not issued after March 2006.

Officials 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, Chapter 1)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balances 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)

3. The report of collections (Form 362) was entered on the computer in 2006; however, in the process, the format was changed to where it no longer provided for the balances from the prior month to be forwarded to the next monthly report. The information presented on reports of collections did not agree with the ledger and did not reflect the user fee activity on a calendar year basis. The computerized format, as changed, was not submitted to the State Board of Accounts for approval.

Officials 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, Chapter 1)

The following deficiencies relating to the recordkeeping pertain to only the current audit period:

4. During 2006, recordkeeping procedures for commissary sales changed from issuing the official receipt to each offender for the purchase made from the commissary to the unit using a cash collection form supported by the offender's commissary order form. The cash collection form implemented was not submitted to the State Board of Accounts for approval.

Officials 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, Chapter 1)

Comparison of the cash collection forms, offender commissary order forms and deposits revealed that commissary cash collection forms did not reflect all money received from offenders. Commissary cash collection forms, deposits and the total of the offender's commissary order forms should reconcile. Reconciliations of the commissary collections to

COUNTY COMMUNITY CORRECTIONS
DUBOIS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

deposits and to the offender's order forms were not presented for audit, were not performed or were incorrect. For deposits tested, procedures revealed that deposits exceeded the amount of cash collection forms and the amount of the offender's commissary order forms.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balances 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)

5. Payment for the printing of checks and deposits tickets was not made by check or petty cash disbursement.

Disbursements, other than proper petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

DEPOSITS

As stated in the prior report, on a consistent basis, receipts were deposited later than the next business day.

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 . . ."

OPTICAL IMAGES OF WARRANTS

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks.

Indiana Code 5-15-6-3(a) concerning optical imaging of checks states in part:

". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

Further, Indiana Code 26-2-8-111(a) and (e) state in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

COUNTY COMMUNITY CORRECTIONS
DUBOIS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise: and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a). . . ."

PRESCRIBED FORMS

The following prescribed or approved forms were not always in use or were not used as intended:

<u>Form</u>	<u>Form Number</u>
Receipt	General Form 352
Checks	General Form 353
Ledger of Receipts, Disbursements and Balances	General Form 358
Report of Collections	General Form 362

Officials 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, Chapter 1)

COUNTY COMMUNITY CORRECTIONS
DUBOIS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 5, 2007, with Martha A. Wehr, Auditor; and Lawrence M. Vollmer, County Commissioner. The officials concurred with our audit findings.

The contents of this report were discussed on June 5, 2007, with John G. Burger, President of the Board of County Commissioners; Randall L. Fleck, County Commissioner; Jerry Hunefeld, County Council member; and J. P. Weisheit, Director of Community Corrections.

The contents of this report were discussed on June 5, 2007, with Judge William E. Weikert, President of the Community Corrections Advisory Board.