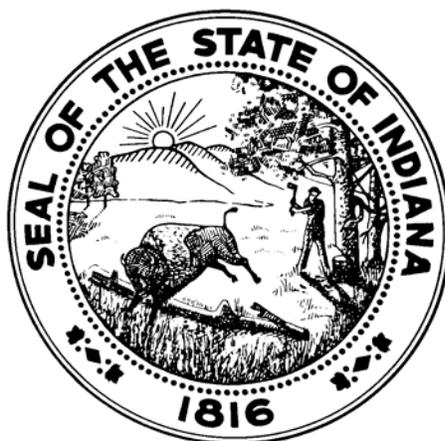


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF
COUNTY PROSECUTING ATTORNEY
HANCOCK COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
08/23/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Timely Recordkeeping for Monthly Reimbursements	4
Condition of Records	4
Exit Conference	5
Official Response	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Prosecuting Attorney	Larry Gossett Dean Dobbins	01-01-03 to 12-31-06 01-01-07 to 12-31-10
President of the County Council	Thomas Roney William Bolander	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the Board of County Commissioners	Brian Kleiman Jack Heiden	01-01-06 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF HANCOCK COUNTY

We have audited the records of the County Prosecuting Attorney 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 Hancock County for the year 2006.

STATE BOARD OF ACCOUNTS

July 2, 2007

COUNTY PROSECUTING ATTORNEY
HANCOCK COUNTY
AUDIT RESULTS AND COMMENTS

TIMELY RECORDKEEPING FOR MONTHLY REIMBURSEMENTS

We noted instances of the Monthly Reimbursement Claim for Title IV-D expenditures being completed after the due date. This occurred in 11 out of the 12 months in 2006.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

CONDITION OF RECORDS

Hancock County, in conjunction with the Indiana Department of Child Services, accounted for child support collections and payments through the Indiana Support Enforcement Tracking System (ISETS) during 2006. The following deficiency was identified:

Balances of child support cases include errors resulting from data conversion, information not recorded during the time period from data conversion to system implementation, computer application processing errors and user errors. Subaccount balances of support cases in the files of the County did not always agree with the ISETS balance as a result of these errors. All errors are currently being corrected on a case-by-case basis as they are identified.

As a result, incorrect or missing subaccount balances could cause money to be held in the system, cause checks to be printed to an incorrect payee (the state vs. the custodial parent), cause absent parents' tax refunds to be erroneously intercepted, or result in failure to enforce collection of child support funds.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY PROSECUTING ATTORNEY
HANCOCK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 9, 2007, with Dean Dobbins, Prosecuting Attorney; and Susan Shambaugh, Child Support Administrator. The official response has been made a part of this report and can be found on page 6.



**HANCOCK COUNTY
CHILD SUPPORT DIVISION
PROSECUTING ATTORNEY
18TH JUDICIAL CIRCUIT**



Dean Dobbins

27 American Legion Place, Greenfield, Indiana 46140 – (317) 477-1713 – Fax (317) 477-1180

July 9, 2007

OFFICIAL RESPONSE

State Board of Accounts
302 West Washington Street, Room E-418
Indianapolis, IN 46204-2765

To Whom It May Concern:

I have had the opportunity to review the report of the State Board of Accounts with Field Examiner Todd Caldwell and Hancock County Child Support Administrator Susan Shambaugh. I wish to respond to the report with the following comments:

1. I was elected Prosecuting Attorney in November 2006 and my administration began January 1, 2007. As part of my new administration, I hired a new Child Support Administrator who also began her duties January 1, 2007. Neither of us had control over the activities of this office prior to January 1, 2007.
2. Corrective action has been taken in the timely recordkeeping for monthly reimbursements. It appears from our records that the prior Child Support Administrator would file these reports several months at a time. We are filing our reimbursement reports monthly. Due to circumstances outside of our control, such as a pay date being the last day of the month or legal holiday, we may not always have the report filed with the State by the due date of the 10th of each month. However, we do everything in our control to file the report by the 10th of the month or as soon after the 10th of the month as is reasonably possible.
3. Due to records being kept electronically in real time and also manually in paper files, we understand that there will be differences in the records. To ensure that only appropriate action is taken by our office, we reconcile the electronic record and the paper record before filing enforcement actions. Further, we research any discrepancies brought to our attention by the custodial parent or non-custodial parent and correct these discrepancies within a reasonable time.

Sincerely,

Dean Dobbins
Prosecuting Attorney

DD/ss

- 6 -