

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

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



FILED
08/23/2007

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Nicholas Gulling C. K. "Bud" Gray	01-01-03 to 12-31-06 01-01-07 to 13-31-10
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 Sheriff 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 SHERIFF
HANCOCK COUNTY
AUDIT RESULTS AND COMMENTS

DEPOSITS

Receipts were deposited later than the next business day. The average number of days between deposits was 5 and the most days between deposits was 15. Only 2 deposits were made during the month of September 2006.

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. . . ."

OLD OUTSTANDING CHECKS (WARRANTS) (Applies to Sheriff Inmate Trust)

Our review of the Inmate Trust bank account reconciliation as of December 31, 2006, revealed 33 checks outstanding in excess of 2 years. The earliest of these checks was dated September 13, 2000.

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

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 concerning optical imaging of checks states in part:

"(a) . . . '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 states 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:

- (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)."

COUNTY SHERIFF
HANCOCK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 2, 2007, with C. K. "Bud" Gray, Sheriff; and Susan Powers, Matron; and on July 9, 2007, with Nicholas Gulling, former Sheriff. The officials concurred with our audit findings.