

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

AUDIT REPORT

OF

COUNTY SHERIFF

HENRY COUNTY, INDIANA

January 1, 2006 to December 31, 2006



**FILED**

11/30/2007



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Kim L. Cronk Bruce (Butch) Baker	01-01-03 to 12-31-06 01-01-07 to 12-31-10
President of the County Council	Robert L. Veach	01-01-06 to 12-31-07
President of the Board of County Commissioners	Larry D. Hale Phillip J. Estridge	01-01-06 to 12-31-06 01-01-07 to 12-31-07



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF HENRY COUNTY

We have audited the records of the 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 Result and Comment. The financial transactions of this office are reflected in the Annual Report of Henry County for the year 2006.

STATE BOARD OF ACCOUNTS

September 26, 2007

COUNTY SHERIFF  
HENRY COUNTY  
AUDIT RESULT AND COMMENT

CONDITION OF RECORDS (Inmate Trust)

The following deficiencies relating to the recordkeeping of the Inmate Trust Funds were present during our period of audit:

- (1) A bank reconciliation was presented for audit that reconciled to a "computer balance" of \$20,552.04. The "computer balance" did not agree to any other printouts containing cash balances.

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."

- (2) The detail listing of inmate balances presented for audit did not agree to the Inmate Trust cash account at December 31, 2006. It showed many negative inmate cash balances. One inmate balance was (\$15,031.29), yet a printout of this inmate's account showed the inmate had a zero balance at December 31, 2006. On July 5, 2007, the software vendor performed a "rebuilding of the ledger." Following this procedure, the "inmate trust" cash balance did agree to the detail of inmate accounts. However, the balances of all accounts still did not reconcile to the bank balance. Also, following the "rebuilding of the ledger" for the following accounts the report titled Accounting Trial Balance Report cash details showed the following:

	Beginning Balance	Receipts	Disbursements	Ending Balance
Past Debt Cobra	\$ -	\$ -	\$ 464.00	\$ -
AADP	-	-	66.00	-
Court Collections	-	-	66.00	-
Victim Impact Panel	-	60.79	-	-
Drug Intake	-	60.79	-	-

At all times, the manual and 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 personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

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 SHERIFF  
HENRY COUNTY  
AUDIT RESULT AND COMMENT  
(Continued)

- (3) The Inmate Trust Fund is accounting for the following accounts with cash balances at December 31, 2006, which are not individual inmate funds: Commissary, Medical, General, Over/Short, Hair Cuts, Debt From Cobra, Laundry, Work Release, WRC Week Advance, Work Release Intake, Electronic Device Week Advance, Electronic Device, Medical Copay, Indigent Pack, Entrance Pack, HM Detention Fees, Electronic Device Replacement Fees, WRC Kit, and Christmas Commissary. These accounts appear to be Sheriff Trust Funds and Commissary Funds.

Indiana Code 36-8-10-21 states:

- "(b) A jail commissary fund is established, referred to in this section as 'the fund'. The fund is separate from the general fund, and money in the fund does not revert to the general fund.
- (c) The sheriff, or his designee, shall deposit all money from commissary sales into the fund, which he shall keep in a depository designated under IC 5-13-8. . . .
- (e) The sheriff shall maintain a record of the fund's receipts and disbursements. The state board of accounts shall prescribe the form for this record."

Indiana Code 36-8-10-22 states:

- "(b) The sheriff shall hold in trust separately for each inmate any money received from that inmate or from another person on behalf of that inmate.
- (c) If the inmate or his legal guardian requests a disbursement from the inmate's trust fund, the sheriff may make a disbursement for the personal benefit of the inmate, including but not limited to a disbursement to the county jail commissary.
- (d) Upon discharge or release of an inmate from the county jail, the sheriff shall pay to that inmate or his legal guardian any balance remaining in his trust fund."
- (4) The detail of trust showed that several inmates had negative cash balances at December 31, 2006, because "payables" are posted as reductions to inmate accounts.

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 cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

COUNTY SHERIFF  
HENRY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 23, 2007, with Bruce (Butch) Baker, current Sheriff; and on September 26, 2006, with Kim L. Cronk, County Council member and former Sheriff. The official response has been made a part of this report and may be found on page 7.



BUTCH BAKER  
SHERIFF

**OFFICE OF HENRY COUNTY SHERIFF**

127 North 12th Street  
New Castle, Indiana 47362

August 27, 2007

**State Board of Accounts**

**RE: Exit Audit of Henry County Sheriff's Office for 2006**

**To Whom It May Concern:**

It was brought to my attention that a deficiency in the record of the inmate cash book existed. Upon review it was determined that this is an accounting record issue and the company we have retained to provide said service was contacted and made aware of the situation and we are working on it. I am fully aware of the issue and will work at resolving the accounting record deficiency in the future.

Sincerely,

**Butch Baker**  
Sheriff, Henry County