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

AUDIT REPORT

OF

COUNTY SHERIFF

WASHINGTON COUNTY, INDIANA

January 1, 2007 to December 31, 2007

FILED

08/26/2008

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COUNTY OFFICIALS

Office	Official	Term
Sheriff	Claude C. Combs	01-01-07 to 12-31-10
President of the County Council	John D. Fultz	01-01-07 to 12-31-08
President of the Board of County Commissioners	Lana Sullivan	01-01-07 to 12-31-07
	Albert M. Goering	01-01-08 to 05-07-08
	Lana Sullivan	05-08-08 to 12-31-08

STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF WASHINGTON COUNTY

We have audited the records of the County Sheriff for the period from January 1, 2007 to December 31, 2007, 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 Washington County for the year 2007.

STATE BOARD OF ACCOUNTS

July 17, 2008

COUNTY SHERIFF
WASHINGTON COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS – JAIL COMMISSARY

The Sheriff operates a Jail Commissary Fund. Jail inmates may purchase items from the Commissary. To purchase products, inmates are required to purchase a Commissary Card. A Commissary Card is the only method in which inmates may purchase products. When Commissary Cards are purchased, the money is posted to a Commissary Fund and deposited into a separate Commissary Fund bank account. The Jail Commissary Fund accounts for all sales of Commissary items. In addition, disbursements from the Jail Commissary Fund are made for merchandise for resale to inmates through the Commissary and for the purchase of items that benefit the Sheriff's Department. Since inmates are required to purchase Commissary Cards to make purchases, a part of the fund balance of the Jail Commissary Fund actually belongs to the inmates. At the current time, no procedures are in place to determine the amount of the Jail Commissary Fund balance that belongs to the inmates.

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)

BANK ACCOUNT RECONCILIATIONS – SHERIFF'S INMATE TRUST FUND

Depository reconciliations of the Sheriff's Inmate Trust Fund balance to the bank account balance were not performed during the audit period. At December 31, 2007, the adjusted bank balance was $1,194.49 less than the ledger balance due to clerical errors and incorrect transfers between bank accounts.

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."

INMATE TRUST RECORDS

Individual inmate records are kept as a subsidiary record to the Inmate Trust Ledger. The ledger and the subsidiary records do not agree. The ledger has $1,572.45 more than the subsidiary records at December 31, 2007, because errors have been made in posting transfers from the Inmate Trust Fund to the Jail Commissary Fund. As of May 28, 2008, transfer requests for December 2007 had not been posted to the control account or transferred from the Inmate Trust Fund bank account to the Jail Commissary Fund bank account.

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 held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY SHERIFF
WASHINGTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 17, 2008, with Claude C. Combs, Sheriff; and Gloria J. Combs, Secretary/Matron. The officials concurred with our audit findings.

The contents of this report were also discussed on July 17, 2008, with Lana Sullivan, President of the Board of County Commissioners; and John D. Fultz, President of the County Council.