

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

AUDIT REPORT

OF

SHERIFF

MONTGOMERY COUNTY, INDIANA

January 1, 2007 to December 31, 2007



**FILED**

09/18/2008



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Luther J. Blanton	01-01-07 to 12-31-10
President of the County Council	Don Peterson James D. Fulwider	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	William McCormick Harry A. Siamas	01-01-07 to 12-31-07 01-01-08 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF MONTGOMERY COUNTY

We have audited the records of the 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 Montgomery County for the year 2007.

STATE BOARD OF ACCOUNTS

August 12, 2008

SHERIFF  
MONTGOMERY COUNTY  
AUDIT RESULTS AND COMMENTS

DEPOSITS

Four of twelve receipts tested were not deposited intact for the Inmate Trust Fund. Four of fifteen receipts tested from the Sheriff's Cash Book were not deposited intact.

Three of ten receipts tested were not deposited timely for the work release program. One receipt for \$85 was held for 103 days prior to deposit. There were three instances noted in the ten receipt series tested where a particular receipt from the middle of the series was deposited on a different day from those written prior and subsequent to that receipt.

Six of fifteen receipts tested at the Sheriff's department were deposited later than the next business day. One receipt was held up to eleven days.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

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. . . ."

CONDITION OF RECORDS

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

- (1) There were a considerable number of posting errors in the inmate trust. These errors included check numbers on the check register not matching the physical check. There were immaterial posting errors in the Sheriff's Cash Book provided by the independent accountant hired by the Sheriff's Department. The errors cause a net overstatement of receipts of \$200. There were also \$127 in process fees classified as other fees within the Sheriff's Cash Book; however, this does not affect the financial statement presentation.

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 County Auditors of Indiana, Chapter 14)

- (2) Two of four tested disbursements for inmate trust were not supported by a release authorized by an inmate.

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- (3) The unit was not using a ledger for receipts, disbursements and balances for inmate trust. For work release, there was a ledger that was not on an approved form and did not encompass the entire year. It was begun in April and ended in December.

SHERIFF  
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AUDIT RESULTS AND COMMENTS  
(Continued)

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- (4) Individual inmate records are kept as a subsidiary record. There is no control ledger and the subsidiary records do not agree to the bank. There is \$982 in unidentified monies in the bank account at December 31, 2007. This amount is a combination of prior years and current years.

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)

- (5) Receipts were not issued in numerical order. The unit used multiple books at the same time.

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 County Auditors of Indiana, Chapter 14)

REPORTS OF COLLECTION NOT FILED

Reports of Collection have not been filed with the County Auditor since October 2006. The related amounts due to the County had not been remitted as of June 30, 2008.

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 of Indiana, Chapter 1)

BUY MONEY

The unit did not pass an ordinance to establish the Buy Money program for the Sheriff's department.

The following procedures should be followed in handling Buy Money funds:

- (1) Under Indiana Code 36-1-3 an ordinance be passed allowing this type of program and associated expenditures;
- (2) An appropriation for such purpose be provided in the manner authorized by state statutes;
- (3) Petty cash fund procedures are followed as authorized by Indiana Code 36-1-8-3; and

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AUDIT RESULTS AND COMMENTS  
(Continued)

- (4) A minimum documentation procedure to be followed, similar to either:
- (a) Guidelines for Confidential Expenditures, Appendix J, Indiana Criminal Justice Planning Agency Financial Guide; or
  - (b) Guidelines for Withdrawal of Money and Reporting Procedures of Enforcement Aid Fund Moneys, Indiana State Police Department.

(County Bulletin and Uniform Compliance Guidelines, April 2001)

CREDIT CARDS

The Sheriff's Department and several departments in the court house are using credit cards to purchase items without a credit card policy.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the Board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

SHERIFF  
MONTGOMERY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 12, 2008, with Luther J. Blanton, Sheriff; James D. Fulwider, President of the County Council; Harry A. Siamas, President of the Board of County Commissioners; and Michelle R. Cash, Auditor. The officials concurred with our audit findings.