

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

EXAMINATION REPORT
OF
PROSECUTING ATTORNEY
SCOTT COUNTY, INDIANA
January 1, 2007 to December 31, 2007



FILED
01/15/2009

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Prosecuting Attorney	Jason M. Mount	01-01-07 to 12-31-10
President of the County Council	Kelley Robbins Raymond W. Jones	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	Robert C. Tobias Larry D. Blevins	01-01-07 to 12-31-07 01-01-08 to 12-31-08



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TO: THE OFFICIALS OF SCOTT COUNTY

We have examined the records of the Prosecuting Attorney 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 Examination Result and Comment. The financial transactions of this office are reflected in the Examination Report of Scott County for the year 2007.

STATE BOARD OF ACCOUNTS

December 1, 2008

PROSECUTING ATTORNEY
SCOTT COUNTY
EXAMINATION RESULT AND COMMENT

CONDITION OF RECORDS

The Prosecuting Attorney's Office maintained three separate bad check funds in 2007: Old Bad Check Fund, New Bad Check Fund, and Bad Check Fund 2005, collectively referred to as the Prosecuting Attorney's Bad Check fund. These bad check funds represent monies collected by the Prosecuting Attorney's Office on behalf of local merchants for payments made by customers for which there were not sufficient funds in the customer's bank accounts to cover the checks issued. The Old Bad Check Fund and the New Bad Check Fund had little, if any, activity and per our instructions were closed out during 2008. Financial records for these funds were not properly maintained and record balances were not reconciled to depository balances. Deficiencies relating to the financial records are as follows:

1. A ledger of receipts, disbursements and balances, General Form 358, was maintained; however, the ledger was not properly maintained since no balances were kept in the ledger.

Official 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)

2. Detail subsidiary records identifying to whom money is owed in the Bad Check Fund 2005 were maintained; however, the records were incomplete and did not reconcile with the calculated fund balance. At December 31, 2007, a difference of \$190.94 existed between the detail subsidiary records and the calculated fund balance thus preventing proper identification to whom the money belongs and the amount.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledgers, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledger, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Manual for Counties of Indiana, Chapter 1)

3. Record balances were not reconciled to depository balances.

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."

PROSECUTING ATTORNEY
SCOTT COUNTY
EXAMINATION RESULT AND COMMENT
(Continued)

4. Collections were not always deposited timely for the Bad Check Fund 2005. A review of receipts for the bad check fund noted instances in which receipts were deposited up to 65 days after the issuance of the receipts.

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 or depositories selected by the . . . local board of finance . . .

5. Due to the condition of records, we were unable to determine whether disbursements made from the bad check fund were made to the proper individuals and for the proper amounts.

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. (Accounting and Uniform Compliance Guidelines Manuals Counties of Indiana, Chapter 1)

A similar comment was included in prior Reports B24993, B26883, B29575 and B31359.

PROSECUTING ATTORNEY
SCOTT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 1, 2008, with Jason M. Mount, Prosecuting Attorney.