

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

EXAMINATION REPORT

OF

COUNTY SHERIFF

POSEY COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

01/26/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Examination Results and Comments:	
Bank Account Reconciliations	4
Timely Recordkeeping	4
Deposits	4
Receipt Issuance	4
Outside Bank Accounts	5
Transaction Recording	5
Prescribed Form	5
Exit Conference	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	James E. Folz	01-01-07 to 12-31-10
President of the County Council	Thomas R. Schneider Robert Gentil	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	W. Scott Moye James Alsop	01-01-07 to 12-31-07 01-01-08 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF POSEY COUNTY

We have examined 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 Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Posey County for the year 2007.

STATE BOARD OF ACCOUNTS

December 3, 2008

COUNTY SHERIFF
POSEY COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented. A similar comment was made in prior reports.

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."

TIMELY RECORDKEEPING

The Sheriff's Cash Book is not posted daily. Instead, it is posted when each bank deposit is prepared, which varied in 2007 from weekly to up to 20 days. This practice has led to numerous errors including errors in posting, errors in amounts deposited to the bank, and errors in amounts remitted to the County that would likely have been identified on a timely basis, had the records been kept up to date.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

DEPOSITS

In numerous instances, receipts were deposited later than the next business day. In one instance, receipts accumulated for 20 days to \$51,389 before a deposit was made. A similar comment was made in prior reports.

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. . . ."

RECEIPT ISSUANCE

There were numerous instances where receipts were written and posted several days to several weeks after the transactions took place. There were two instances of \$100 cash bonds for which no receipt was issued and no posting to the Sheriff's Cash Book was made.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

COUNTY SHERIFF
POSEY COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

OUTSIDE BANK ACCOUNTS

The Sheriff's Department is holding money for reserve deputy activities and for canine donations in bank accounts separate from the County. The funds are not properly deposited to the County Treasurer, nor disbursed on warrants issued and attested by the County Auditor. A similar comment was made in several prior reports.

Indiana Code 36-2-10-9 states: "The treasurer shall receive money to which the county is entitled and shall disburse it on warrants issued and attested by the county auditor."

TRANSACTION RECORDING

One check for \$70,000 and another for \$6,100 that were written to the Clerk of the Circuit Court for Sheriff Sales were not posted to the Sheriff's Cash Book. There were also two \$100 cash bonds received for which no receipt was written and no entry to the Sheriff's Cash Book was made.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

PRESCRIBED FORM

County Form 54, Sheriff's Cash Book, is not used in the manner prescribed.

- (1) Cash balances are not calculated or carried forward from month to month. At no time is a cash balance of any account known. Each month, receipts are totaled and that amount is remitted to the appropriate person or office with no indication of the ending cash balance.

Total receipts and disbursements in the Sheriff's Cash Book are to be totaled and posted at the bottom of each page on the lines provided. At the end of each month, amounts disbursed from each receipt account are to be posted at the bottom of the page on the line provided and deducted from the receipts to arrive at the cash balance for each receipt account and for total receipts.

- (2) Checks are not always recorded in the month the checks are written. They are, instead, posted to the month in which the receipts being distributed were received. In every month, checks written in the current month are split between postings in the current month and the prior month. In one instance, a check written in June 2007 was posted in the Cash Book pages for February 2007.

Checks should be posted daily as they are written.

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
POSEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 8, 2008, with Jim E. Folz, Sheriff.

The contents of this report were discussed on December 18, 2008 with James Alsop, President of the Board of County Commissioners; and Robert Gentil, President of the County Council.