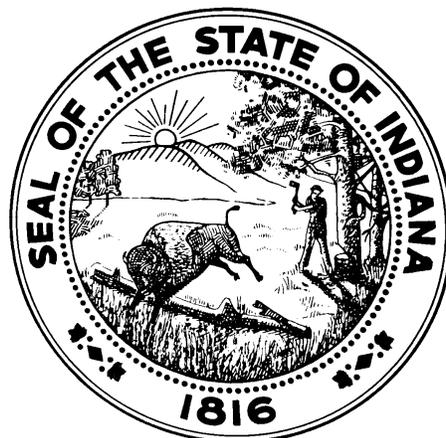


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF
COUNTY COMMUNITY CORRECTIONS
DUBOIS COUNTY, INDIANA
January 1, 2008 to December 31, 2008



FILED
09/30/2009

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Janet L. Sendelweck	01-01-08 to 12-31-11
Director	James P. (JP) Weisheit	01-01-08 to 12-31-09
President of the County Community Corrections Advisory Board	Judge William E. Weikert Michael A. Fritch	01-01-08 to 04-27-09 04-28-09 to 12-31-09
President of the County Council	Gregory A. Kendall	01-01-08 to 12-31-09
President of the Board of County Commissioners	John G. Burger Randall L. Fleck	01-01-08 to 12-31-08 01-01-09 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF DUBOIS COUNTY

We have audited the records of the County Community Corrections for the period from January 1, 2008 to December 31, 2008, 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 Dubois County for the year 2008.

STATE BOARD OF ACCOUNTS

September 8, 2009

COUNTY COMMUNITY CORRECTIONS
DUBOIS COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

Procedures were not implemented to properly record program charges and collections. The County Community Corrections subsidiary ledger was not adequately maintained to reflect an accurate record of program charges and collections. No accounts receivable ledger control was maintained and no reconciliation of the subsidiary collections to the Program Income Cash Book ledger control was performed.

County Community Corrections caseworkers maintain subsidiary records to track program charges and collections for each offender. Inquiry and review of subsidiary records revealed:

1. A ledger control of charges and collections for the subsidiary record maintained in each offender's case file was not presented for audit. Not maintaining a ledger control resulted in management not having knowledge as to the amount of total receivables and it allowed for some offender case file errors to go undetected.
2. Procedures on how to adequately maintain the offender's subsidiary record were not implemented by management or those procedures were not adhered to by caseworkers. This resulted in inconsistency of how the subsidiary records were maintained. There was no standardized form used as a subsidiary ledger. This resulted in inadequate information in case files pertaining to: purpose for the charge, dates of charges and collections, receipt numbers, etc, and thus not allowing for an audit trail and allowing for errors in recorded program charges and collections to go undetected.
3. Lack of standardized forms and procedures resulted in refunds being made in error to offenders. The caseworker initiates the charge, collects on account, maintains the offender's subsidiary ledger, and may post to the Program Income Cash Book.

Dubois County should have policies and procedures in place to ensure proper accounting of financial transactions. The subsidiary ledger should be reconciled to the control on a regular basis and duties should be divided among employees so that one employee is not involved in every aspect of the accounting process or someone in management should regularly review the monthly subsidiary reconciliation to the accounts receivable and cash book ledger controls.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and receipts, 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 controls. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Controls over 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)

COUNTY COMMUNITY CORRECTIONS
DUBOIS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

At all times, the manual and/or 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)

OLD OUTSTANDING CHECKS (WARRANTS)

Our review of the bank reconcilements as of December 31, 2008, revealed checks outstanding in excess of two years.

IC 5-11-10.5-2 states in part:

"All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

IC 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the board: (1) of finance of the political subdivision; or (2) the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

IC 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

COUNTY COMMUNITY CORRECTIONS
DUBOIS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

OVERPAYMENT COLLECTIONS

On December 8, 2008, a refund for overpayment was made to an offender in the amount of \$486.18. Tests of transactions revealed that internal control procedures were not properly implemented to adequately account for all transactions. The subsidiary financial record of the offender reflected a narrative with charges and payment amounts in dollars but no record of dates and receipt numbers, etc., was maintained. Test of charges, collections, and refunds revealed an overpayment of \$486.18 was made to the offender. Further investigation revealed that due to recording errors, the offender owed \$113.82 as of the date of the refund. As of May 15, 2009, the offender owed a total of \$600. As of June 30, 2009, procedures were implemented to have the offender's wages garnished.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY COMMUNITY CORRECTIONS
DUBOIS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 8, 2009, with James P. (JP) Weisheit, Director; Michael A. Fritch, President of the County Community Corrections Advisory Board; Randall L. Fleck, President of the Board of County Commissioners; Janet L. Sendelweck, Auditor; Jerry Hunefeld, County Council member; and Bonnie J. Luebbehusen, County Council member.