

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

AUDIT REPORT

OF

COUNTY PROBATION DEPARTMENT

DUBOIS COUNTY, INDIANA

January 1, 2008 to December 31, 2008



**FILED**

09/30/2009



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials .....	2
Transmittal Letter .....	3
Audit Results and Comments:	
Cash Necessary to Balance .....	4
Deposits .....	4
Internal Controls .....	5-6
Exit Conference.....	7

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Janet L. Sendelweck	01-01-08 to 12-31-11
Circuit Court Chief Probation Officer	Jeff Lomax Cindy Wilmes	01-01-08 to 01-31-09 02-01-09 to 12-31-09
Circuit Court Judge	Judge William E. Weikert	01-01-08 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

---

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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF DUBOIS COUNTY

We have audited the records of the County Probation Department 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 PROBATION DEPARTMENT  
DUBOIS COUNTY  
AUDIT RESULTS AND COMMENTS

CASH NECESSARY TO BALANCE

The performance of a proof of receipts to deposits for the Probation Department collections and comparison of the records to the bank account, revealed that Receipts 4417 to 4428, dated October 14, 2008, were posted to the control and subsidiary ledgers in corresponding amounts; however, \$20 of the collections was not deposited to the bank account of the governmental unit.

Tickets, goods for sale, billings and other collections are considered accountable items for which a corresponding deposit must be made in the bank accounts of the governmental unit.

The deposit ticket or attached documentation must provide a detailed listing of the deposit, which includes at a minimum, check numbers and corresponding names of the payors. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

The employee responsible for proper maintenance and reconciliation of the financial records deposited the amount needed to balance, in the amount of \$20, on June 18, 2009.

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)

DEPOSITS

Some receipts written for cash amounts could not be verified to bank deposits. Further examination disclosed that deposits not made intact may have been the result of change being made or refund for overpayments being made from cash collections. Further inquiry and observation of Probation Department collection procedures revealed that a cash change fund had not been established and change was being made from daily cash collections.

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

Persons, companies or governmental units that have overpaid amounts to a governmental unit are entitled to a repayment or refund by check or warrant. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Disbursements, other than proper petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY PROBATION DEPARTMENT  
DUBOIS COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

INTERNAL CONTROLS

Controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient to detect deposit, recording and reporting errors. The prescribed Ledger of Receipts, Disbursements and Balances (General Form 358) was not maintained as intended. The following exceptions were noted:

1. The ledger detail was maintained in a manner that did not provide proper cash balances.
2. The ledger was not maintained to reflect month-to-date and year-to-date receipt and disbursement totals.
3. The ledger control did not reflect all transactions and was not properly footed.
4. A reconciliation of the subsidiary ledger to the control was not presented for audit and the reconciliation of the depository balance with the ledger control was not properly performed.
5. Due to recording errors, the Report of Collections reflected reporting errors.

The Probation Department has not implemented adequate internal controls over the receipt process. As many as seven Probation Department employees may collect money and write receipts; however, collections are placed into one money bag. This lack of separation of each employee's collections has required the Probation Assistant, who performs all other financial duties of the Department, to make up any difference between the issued receipts for the day and the money available for deposit at the end of each day.

Dubois County should have policies and procedures in place to ensure proper accounting of receipts. Collections by various employees should be kept separate and individually reconciled with the receipts written prior to the deposit being made. 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 responsible for the entire accounting process or someone in management should regularly review the monthly bank reconciliation and financial records.

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 PROBATION DEPARTMENT  
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)

COUNTY PROBATION DEPARTMENT  
DUBOIS COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 8, 2009, with Judge William E. Weikert, Circuit Court Judge; 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.