

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

AUDIT REPORT

OF

COUNTY SUPERIOR COURT

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
Superior Drug Court Director	Tracy Schmitt Vacant William Wells	01-01-08 to 08-22-08 08-23-08 to 10-12-08 10-13-08 to 12-31-09
Superior Court Chief Probation Officer	Jennifer Lampert	01-01-08 to 12-31-09
Superior Court Judge	Judge Elaine Brown Judge Mark R. McConnell	01-01-05 to 06-08-08 06-09-08 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

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TO: THE OFFICIALS OF DUBOIS COUNTY

We have audited the records of the County Superior Court 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 SUPERIOR COURT
DUBOIS COUNTY
AUDIT RESULTS AND COMMENTS

DEPOSITS – SUPERIOR DRUG COURT

Superior Drug Court collections were not deposited timely. Collections, for the period August 16th through November 30, 2008, were deposited on December 3, 2008. Collections for the month of December were deposited on December 29, 2008.

Deposit slips for Superior Drug Court were not presented for audit that indicated the form in which the collections were deposited: cash, checks, money order, etc; therefore, testing that receipts were deposited intact could not be performed.

IC 5-13-6-1 requires all public funds shall be deposited not later than the business day following the receipt of funds on business days of the depository.

The statute also provides that public funds shall be deposited in the same form in which they were received. This simply means all daily receipts received by the political subdivision must be deposited intact. (Accounting and Uniform Compliance Guidelines for Counties of Indiana, Chapter 6)

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)

INTERNAL CONTROLS – SUPERIOR DRUG COURT

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

1. The Superior Drug Court subsidiary ledger reflecting each offender's charges and payments was not presented for audit.
2. Receipts were not issued for all collections.
3. Not all receipts reflected the date and type of collection (cash, check, money order, etc).
4. Collections were posted to the ledger as of the date of the deposit, instead of the date of the receipt.

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 Manual for the Counties of Indiana, Chapter 1)

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)

COUNTY SUPERIOR COURT
DUBOIS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Receipts should 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 . . . (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

IC 5-13-6-1(c) states in part:

". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds no 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 . . . Public funds deposited . . . shall be deposited in the same form in which they were received."

REPORTS OF COLLECTIONS FILED DELINQUENT – SUPERIOR DRUG COURT

Reports of Collection filed with the County Auditor for the Superior Drug Court were received delinquent. The required report accompanied by remittances for the months of August through November 2008, was delinquent and submitted to the County Auditor on January 8, 2009.

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)

INTERNAL CONTROLS – SUPERIOR COURT RESTITUTION

Controls over the receipting, disbursing, recording, and accounting for the Superior Court Restitution 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 control was not maintained to reflect month-to-date and year-to-date receipt and disbursement totals.
2. Collections were posted to the ledger as of the date of the deposit, instead of the date of the receipt.
3. The Superior Court Restitution computerized subsidiary ledger detail did not provide a running cash balance. Not all receipts were posted to the Superior Court Restitution computerized subsidiary ledger detail and some receipts were recorded in the wrong amount.
4. The subsidiary ledger detail was not reconciled to the ledger control.
5. Receipts were not always deposited timely with instances of deposits not made for nine or ten days of the date of collection.
6. The reconciliation of the depository balance with the ledger control was not presented for audit.

COUNTY SUPERIOR COURT
DUBOIS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Adequate internal controls over the receipt process for Superior Court Restitution collections have not been implemented. As many as seven County 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 resulted in undetected recording errors that were not easily identifiable, making it difficult to correct differences between the issued receipts for the day and the money available for deposit at the end of the day. The Court Assistant performs all other Superior Court Restitution financial duties.

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)

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 SUPERIOR COURT
DUBOIS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 8, 2009, with Judge Mark R. McConnell, Superior 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.