

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

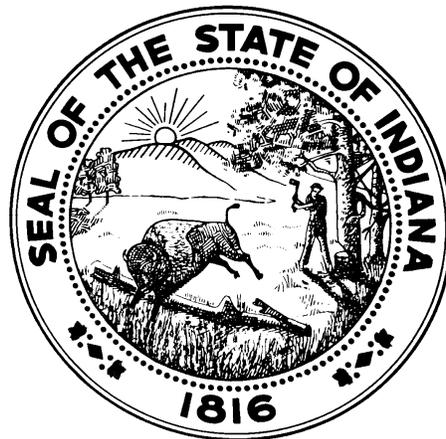
AUDIT REPORT

OF

COUNTY SHERIFF

VERMILLION COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED

10/30/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Public Purchases	4
Penalties, Interest, and Other Charges	4-5
Old Outstanding Checks (Warrants).....	5
Unclaimed Property	5-6
Exit Conference.....	7
Official Response	8

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Robert Spence	01-01-07 to 12-31-10
President of the County Council	John Yoho (Vacant) John A. Cheesewright	01-01-08 to 06-06-08 06-07-08 to 07-13-08 07-14-08 to 12-31-09
President of the Board of County Commissioners	Tim J. Wilson	01-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF VERMILLION COUNTY

We have audited the records of the County Sheriff 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 Vermillion County for the year 2008.

STATE BOARD OF ACCOUNTS

September 30, 2009

COUNTY SHERIFF
VERMILLION COUNTY
AUDIT RESULTS AND COMMENTS

PUBLIC PURCHASES

The Vermillion County Sheriff's Department, during 2008, ordered from South Western Communications, Inc., Corrections and Justice Group (SWC), upgrades to and replacement equipment for the electronic security system at the jail. The project proposal included costs for engineering, installation, and materials totaling \$120,907. The total amount paid to SWC in 2008 was \$2,610 and \$115,890 in 2009. There was no evidence presented for audit that quotes were requested by the Sheriff from anyone other than SWC. There was no evidence that a contract had been signed. Retainage was withheld from payments to the contractor; however, no written agreement was presented for audit.

IC 5-22-8-3 states:

"Purchases between \$50,000 and \$150,000 Sec. 3.

- (a) This section applies only if the purchasing agent expects the purchase to be:
 - (1) at least fifty thousand dollars (\$50,000); and
 - (2) not more than one hundred fifty thousand dollars (\$150,000).
- (b) A purchasing agent may purchase supplies under this section by inviting quotes from at least three (3) persons known to deal in the lines or classes of supplies to be purchased.
- (c) The purchasing agent shall mail an invitation to quote to the persons described in subsection (b) at least seven (7) days before the time fixed for receiving quotes.
- (d) If the purchasing agent receives a satisfactory quote, the purchasing agent shall award a contract to the lowest responsible and responsive offeror for each line or class of supplies required.
- (e) The purchasing agent may reject all quotes.
- (f) If the purchasing agent does not receive a quote from a responsible and responsive offeror, the purchasing agent may purchase the supplies under IC 5-22-10-10."

PENALTIES, INTEREST, AND OTHER CHARGES

Finance charges and late fees totaling \$72 were paid to VISA out of the Sheriff's Commissary Fund in 2008.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

COUNTY SHERIFF
VERMILLION COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

OLD OUTSTANDING CHECKS (WARRANTS)

As stated in the prior Report B32873, our review of the Sheriff Inmate Trust bank reconciliation as of December 31, 2008, revealed warrants 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 of finance of the political subdivision or 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."

UNCLAIMED PROPERTY

The Inmate Trust Fund has numerous accounts for inmates that have been released from the jail but left a balance in their inmate trust account. Balances on hand which were distributable as of December 31, 2008, totaled \$1,834, in the aggregate, and were from 517 individuals. The County Sheriff's Matron (Inmate Trust Bookkeeper) is keeping a list of the inmates' names and amounts but the funds have not been turned over to the State of Indiana as unclaimed property.

COUNTY SHERIFF
VERMILLION COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

IC 32-34-1-20(c) states in part:

"Property that is held, issued, or owed in the ordinary course of a holder's business is presumed abandoned if the owner or apparent owner has not communicated in writing with the holder concerning the property or has not otherwise given an indication of interest in the property during the following times: . . . (7) For property held by a state or other government, governmental subdivision or agency, or public corporation or other public authority, one (1) year after the property becomes distributable."

IC 32-34-1-26(a) states:

"A holder of property that is presumed abandoned and that is subject to custody as unclaimed property under this chapter shall report in writing to the attorney general concerning the property. Items of value of less than fifty dollars (\$50) may be reported by the holder in the aggregate."

COUNTY SHERIFF
VERMILLION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 30, 2009, with Robert Spence, Sheriff; Tim J. Wilson, President of the Board of County Commissioners; and John A. Cheesewright, President of the County Council. The official response has been made a part of this report and may be found on page 8.

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TO: INDIANA STATE BOARD OF ACCOUNTS

FR: SHERIFF ROBERT SPENCE

RE: 2008 CLOSEOUT AUDIT RESULTS

September 25, 2009

Indiana State Board of Accounts:

During 2008, Sheriff Spence in a public meeting with the Vermillion County Commissioners and their attorney, Jon Spurr, met to discuss the need to fix a control panel in the jail. In a subsequent meeting, the Vermillion County Council, along with their attorney Don Darnell, agreed to finance the work. During those meetings, there was much discussion about the problems with the operational control system.

When the Vermillion County Jail was built, the system that was installed was already outdated, but was still installed by Southwest Communications. Since that time, Southwest Communications has been the only company that has handled all repair and maintenance of the system. Because of the specialized type of equipment, they have been the only company that has been able to order the unique parts needed to repair the security system. Over the period of years, age has taken its toll on the equipment and it was time to replace what needed to be replaced and make some necessary upgrades so the system would be more compatible with the rest of the security equipment. This information was made available in both the Council and Commissioner's public meetings. Both groups approved the spending of the \$120,907.00 for *updates* to the existing control panel. The panel was not a stand-alone system that would be considered a "new" piece of equipment.

In short, Vermillion County needed parts of a security system that would be compatible with existing equipment to avoid having multiple contractors trying to make repairs. If that were to occur, there would be no ultimate responsible party. Finger pointing at whose responsibility it was to fix things would be a nightmare to solve. By upgrading the current system, there is only one person responsible for equipment. The decision was made to continue to use SWC to make upgrades to current equipment with those factors in mind. I feel the scope of the work that was completed was within regular maintenance of the jail that SWC currently conducts. It was no more than replacing nonfunctional parts to existing security equipment. It is not acceptable to put a Chevy engine into a Ford or a Ford transmission into a Dodge; combining security systems within the jail is not appropriate either.

Sheriff Spence