

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

EXAMINATION REPORT
OF
COUNTY SHERIFF
JENNINGS COUNTY, INDIANA
January 1, 2008 to December 31, 2008



FILED
02/11/2010

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Stephan D. Hoppock	01-01-07 to 12-31-10
President of the County Council	Edward L. Maschino Howard Malcomb	01-01-08 to 12-31-09 01-01-10 to 12-31-10
President of the Board of County Commissioners	Richard B. Schneider Jeffery S. Day	01-01-08 to 12-31-08 01-01-09 to 12-31-10



STATE OF INDIANA
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TO: THE OFFICIALS OF JENNINGS COUNTY

We have examined 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 Examination Result and Comment. The financial transactions of this office are reflected in the Examination Report of Jennings County for the year 2008.

STATE BOARD OF ACCOUNTS

December 7, 2009

COUNTY SHERIFF
JENNINGS COUNTY
EXAMINATION RESULT AND COMMENT

CONDITION OF RECORDS - INMATE TRUST

The Jennings County Sheriff's Department operates a county jail; therefore, the Sheriff shall hold in trust separately for each inmate any money received from that inmate or from another person on behalf of that inmate as required by IC 36-8-10-22. The Sheriff's Department did not maintain the prescribed manual Ledger of Receipts, Disbursements and Balances, General Form Number 358, for each individual and also as a control ledger. Instead a computerized system has been installed.

The following are deficiencies we noted during our review of the computerized accounting system used to account for Inmate Trust Funds:

1. The Sheriff's Department prints out a monthly detail of individual inmate trust balances on hand (trust ledger) at the end of each month; however, there is no grand total of the detail on the report. No reconcilements were performed between the trust ledger and the inmate trust ledger's cash balance. The computerized accounting system does not have the ability to retrieve a detail trust register for dates other than the current date and time.
2. The trust register presented for examination showed multiple trust balances for inmates that had been booked into the jail repetitively. The computerized accounting system transfers any prior balance the inmate had from a previous booking to a new trust account; however, the balances from previous accounts were not removed.
3. The Sheriff's Department charges the inmate's trust account for the cost of any medical or other supplies the inmate needs whether or not the inmate has trust funds on hand. This results in an inmate with no trust funds on hand having a negative trust balance when the inmate is released. These negative inmate trust balances (due to charging inmates for cost of medical and other supplies) were reported on the trust register; however, these balances cannot be used in determining the outstanding trust balance at a point in time.
4. If an inmate's file on the system becomes corrupted (the inmate file cannot be accessed), then a check written to the inmate to return a leftover trust balance will not post to the inmate trust account resulting in the trust register showing a balance due an inmate even though the inmate's trust balance has been refunded.
5. Information was not presented for examination to indicate that the computerized accounting system has the ability to show a transaction history for an individual inmate. A transaction history is needed to show all of the financial activity (receipts, disbursements and adjustments) occurring on an inmate's account.

COUNTY SHERIFF
JENNINGS COUNTY
EXAMINATION RESULT AND COMMENT
(Continued)

The computerized accounting system has been used in the Sheriff's office for several years. The lack of reconciling the balances reported on the inmate trust ledger to the inmate trust fund cash account has been reported in prior State Board of Accounts reports. Based on the deficiencies identified above, we have determined that the current computerized accounting system is not sufficient to provide reasonable assurance regarding the reliability of financial information and records, or compliance with laws and regulations. The safeguarding controls over the inmate trust fund may not provide an accurate balance of inmate trust balances that are on hand at a point in time, and it does not provide adequate audit trails to enable the County Sheriff to identify and correct errors.

The computerized accounting system must maintain electronic audit trails sufficient to trace all transactions from original source of entry into the system, through all system processing, and to the results produced by the system. The audit trails must also maintain sufficient information to trace all transactions from the final results produced by the system, through all system processing, and to the original source of entry into the system. These audit trails must be protected from modification and deletion. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 2)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Controls over the 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)

The County is in the process purchasing a new computerized accounting system to account for inmate trust funds.

COUNTY SHERIFF
JENNINGS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 7, 2009, with Stephan D. Hoppock, Sheriff.