

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

AUDIT REPORT

OF

COUNTY AUDITOR

JACKSON COUNTY, INDIANA

January 1, 2009 to December 31, 2009



FILED

01/05/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Personal Expenses.....	4-5
Collections Not Deposited	6
Charges Filed Against Gwendolyn Bohall, Former County Auditor's First Deputy	6
Capital Asset Records	6
Insurance Coverage	7
Exit Conference.....	8
Summary	9
Affidavit	11

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Debra F. Eggeman	01-01-09 to 12-31-12
President of the County Council	Andrew Fountain	01-01-09 to 12-31-10
President of the Board of County Commissioners	Monte Striegel	01-01-09 to 12-31-10



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

TO: THE OFFICIALS OF JACKSON COUNTY

We have audited the records of the Jackson County Auditor for the period from January 1, 2009 to December 31, 2009, 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 Jackson County for the year 2009.

STATE BOARD OF ACCOUNTS

August 31, 2010

COUNTY AUDITOR
JACKSON COUNTY
AUDIT RESULTS AND COMMENTS

PERSONAL EXPENSES

During the previous audit, the deficit balance in the payroll garnishment account was discussed with Debra F. Eggeman, Auditor, and recommendations were given on how to review the account and determine what errors were causing the problem. The Auditor on several occasions had instructed her First Deputy to review the account and identify the errors so that the account could be reconciled.

On April 23, 2010, the People's Bank contacted Debra Eggeman and inquired as to why a check written from the County's First Financial Bank payroll account was being used to make a loan payment to their bank on behalf of Gwendolyn Bohall, former Auditor's First Deputy. Ms. Bohall explained that she was having her wages garnished to make this payment. Later that day, when the Auditor looked more closely at the County's garnishment withholding account, she noticed that the First Deputy had been writing checks for other personal expenses beginning in December of 2008. The Auditor informed us immediately of the fact that this payment and others were not garnished from the former Auditor's First Deputy wages.

The payroll account was reviewed during the audit with cooperation by Treasurer, and the Auditor in order to determine the scope of the improper payments. When confronted, Ms. Bohall admitted that she had been writing checks to pay personal obligations from the County's payroll fund and posting them to the payroll garnishment account. After details of the charge were provided to the Indiana State Police, Ms. Bohall was interviewed and corroborated that the following items were personal expenses:

<u>Payroll Date</u>	<u>Garnishment Paid</u>	<u>Vendor</u>	<u>Check Number</u>	<u>Check Date</u>	<u>Garnishment Not Withheld</u>
12-12-08	\$ 50.00	Clerk of Monroe County	38442	12-12-08	\$ 50.00
12-24-08	50.00	Clerk of Monroe County	38545	12-24-08	50.00
01-30-09	200.00	The Peoples Bank	38985	01-30-09	200.00
01-30-09	100.00	The Peoples Bank	38985	01-30-09	100.00
01-30-09	100.00	The Peoples Bank	38985	01-30-09	100.00
02-13-09	409.46	Jackson County REMC	39010	02-13-09	409.46
03-13-09	284.47	The Peoples Bank	39334	03-13-09	284.47
03-27-09	319.32	Jackson County REMC	39361	03-27-09	319.32
04-24-09	271.14	Jackson County REMC	39703	04-24-09	271.14
05-22-09	100.00	IMC Credit Services	40023	05-22-09	100.00
07-17-09	100.00	IMC Credit Services	40739	07-17-09	100.00
07-17-09	32.15	Indiana Department of Revenue	40740	07-17-09	32.15
07-17-09	105.00	Internal Revenue Service	40743	07-17-09	105.00
07-17-09	50.00	Jackson Superior Court	40747	07-17-09	50.00
07-31-09	100.00	IMC Credit Services	41134	07-31-09	100.00
07-31-09	32.15	Indiana Department of Revenue	41135	07-31-09	32.15
07-31-09	100.00	Internal Revenue Service	41138	07-31-09	100.00
07-31-09	50.00	Jackson Superior Court	41142	07-31-09	50.00
08-14-09	100.00	IMC Credit Services	41160	08-14-09	100.00
08-14-09	32.15	Indiana Department of Revenue	41161	08-14-09	32.15
08-14-09	100.00	Internal Revenue Service	41164	08-14-09	100.00
08-14-09	50.00	Jackson Superior Court	41168	08-14-09	50.00
08-28-09	100.00	Internal Revenue Service	41414	08-28-09	100.00

COUNTY AUDITOR
JACKSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Payroll Date	Garnishment Paid	Vendor	Check Number	Check Date	Garnishment Not Withheld
08-28-09	35.17	Jackson Superior Court	41418	08-28-09	35.17
09-11-09	100.00	IMC Credit Services	41446	09-11-09	100.00
09-11-09	100.00	Internal Revenue Service	41450	09-11-09	100.00
09-25-09	100.00	IMC Credit Services	41466	09-25-09	100.00
09-25-09	100.00	Internal Revenue Service	41470	09-25-09	100.00
10-09-09	100.00	IMC Credit Services	41765	10-09-09	100.00
10-09-09	40.00	Indiana Department of Revenue	41766	10-09-09	7.85
10-09-09	100.00	Internal Revenue Service	41768	10-09-09	100.00
10-23-09	100.00	IMC Credit Services	41786	10-23-09	100.00
10-23-09	40.00	Indiana Department of Revenue	41787	10-23-09	7.85
10-23-09	100.00	Internal Revenue Service	41789	10-23-09	100.00
11-06-09	100.00	IMC Credit Services	42040	11-06-09	100.00
11-06-09	100.00	Internal Revenue Service	42043	11-06-09	100.00
11-20-09	100.00	IMC Credit Services	42063	11-20-09	100.00
11-24-09	200.00	Gwen Bohall	19155	11-24-09	200.00
12-04-09	100.00	IMC Credit Services	42424	12-04-09	100.00
12-04-09	100.00	Internal Revenue Service	42427	12-04-09	100.00
12-18-09	100.00	IMC Credit Services	42774	12-18-09	100.00
12-18-09	100.00	Internal Revenue Service	42777	12-18-09	100.00
12-31-09	100.00	IMC Credit Services	42792	12-31-09	100.00
01-15-10	100.00	IMC Credit Services	42811	01-15-10	100.00
01-29-10	100.00	IMC Credit Services	43114	01-29-10	100.00
02-12-10	100.00	IMC Credit Services	43135	02-12-10	100.00
02-26-10	100.00	IMC Credit Services	43151	02-26-10	100.00
02-26-10	585.00	Gwen Bohall	43456	02-26-10	585.00
02-26-10	162.27	Monroe Bank Loan Dept	43457	02-26-10	162.27
02-26-10	163.00	Personal Finance Co	43458	02-26-10	163.00
03-12-10	497.30	Credit Collection Services	43469	03-12-10	497.30
03-12-10	100.00	IMC Credit Services	43471	03-12-10	100.00
03-26-10	74.10	IMC Credit Services	43487	03-26-10	74.10
03-26-10	25.90	IMC Credit Services	43487	03-26-10	25.90
04-09-10	100.00	IMC Credit Services	43847	04-09-10	100.00
04-23-10	538.12	The Peoples Bank	43861	04-23-10	538.12
	<u>\$ 7,396.70</u>	Total			<u>\$ 7,332.40</u>

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

We have requested that Gwendolyn Bohall, former Auditor's First Deputy, reimburse Jackson County in the amount of \$7,332.40 for personal expenses. (See Summary, page 9)

COUNTY AUDITOR
 JACKSON COUNTY
 AUDIT RESULTS AND COMMENTS
 (Continued)

COLLECTIONS NOT DEPOSITED

In addition to the personal expense items noted above, Ms. Bohall also informed the Auditor that she had taken some of the cash collections submitted by other offices that were waiting to be deposited. A review of the "Report of Collections" submitted by the Auditor's Office and other departments indicated the following three instances in which cash was missing from the amounts waiting to be deposited:

Office	Dates of Collection	Missing Cash Collections
Surveyor	February 1, 2010 to March 31, 2010	\$ 60.00
Auditor	March 13, 2010 to March 19, 2010	95.00
Auditor	April 10, 2010 to April 16, 2010	90.00
Total		\$ 245.00

IC 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not 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. . . ."

We recommended the County implement procedures to make daily deposits in compliance with IC 5-13-6-1(c).

We have requested that Gwendolyn Bohall, former Auditor's First Deputy, reimburse Jackson County in the amount of \$245.00 for collections not deposited. (See Summary, page 9)

CHARGES FILED AGAINST GWENDOLYN BOHALL, FORMER COUNTY AUDITOR'S FIRST DEPUTY

Charges have been filed in the Jackson County Circuit Court, Brownstown, Indiana against Gwendolyn Bohall. Five counts of Forgery, a class C felony, and five counts of Theft, a class D felony (Case No. 36C01-1005-FC-31).

CAPITAL ASSET RECORDS

Information presented for audit indicated an insufficient inventory for capital assets.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the Capital Assets Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for County Auditor, Chapter 14)

COUNTY AUDITOR
JACKSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

INSURANCE COVERAGE

Gwendolyn Bohall, former Auditor's First Deputy, is covered under Jackson County's Commercial Crime coverage through HCC Insurance Company/U.S. Specialty Insurance Company in the amount of \$100,000 per occurrence with a \$250 deductible for the periods January 1, 2008 to January 1, 2009, January 1, 2009 to January 1, 2010, and January 1, 2010 to January 1, 2011.

COUNTY AUDITOR
JACKSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 31, 2010, with Debra F. Eggeman, Auditor; Jerry Hounshel, Vice President of the Board of County Commissioners; and Andrew Fountain, President of the County Council. The officials concurred with our audit findings.

The contents of this report were discussed on September 17, 2010, with Gwendolyn Bohall, former Auditor's First Deputy; and Daniel B. Schuetz, Attorney. The officials concurred with our findings.

COUNTY AUDITOR
JACKSON COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Gwendolyn Bohall, former Auditor's First Deputy:			
Personal Expenses, pages 4 and 5	\$ 7,332.40	\$ -	\$ 7,332.40
Collections Not Deposited, page 6	<u>245.00</u>	<u>-</u>	<u>245.00</u>
Totals	<u>\$ 7,577.40</u>	<u>\$ -</u>	<u>\$ 7,577.40</u>

(This page intentionally left blank.)

AFFIDAVIT

STATE OF INDIANA)
)
Jackson COUNTY)

I, William A. Brown, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Jackson County Auditor, Jackson County, Indiana, for the period from January 1, 2009 to December 31, 2009, is true and correct to the best of my knowledge and belief.

William A. Brown, CPA
Field Examiner

Subscribed and sworn to before me this 10th day of December, 2010.

Sarah M Benter
(Clerk of the Circuit Court)