

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

AUDIT REPORT
OF
COUNTY JUVENILE DETENTION CENTER
CLARK COUNTY, INDIANA
January 1, 2009 to December 31, 2009



FILED
01/07/2011

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Lyda Abell	01-01-09 to 12-31-10
President of the County Council	David Abbott Jack Coffman	01-01-09 to 12-31-09 01-01-10 to 12-31-10
President of the Board of County Commissioners	M. Edward Meyer	01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF CLARK COUNTY

We have audited the records of the County Juvenile Detention Center 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 Result and Comment. The financial transactions of this office are reflected in the Annual Report of Clark County for the year 2009.

STATE BOARD OF ACCOUNTS

August 18, 2010

CLARK COUNTY JUVENILE DETENTION
CLARK COUNTY
AUDIT RESULTS AND COMMENT

FINANCIAL ACCOUNTABILITY

A review of the financial activity of the Juvenile Detention Center (Detention Center) identified the following discrepancies:

1. The Detention Center did not properly complete the Supplemental CAR-1 report summarizing the department's financial activity for the year for proper reporting to the County Auditor and inclusion in the County's Annual Report (CAR). The CAR-1 report (Report) was incomplete in that the Report did not contain the receipt and disbursement activity for the year. The Report only contained the beginning and ending fund balances. As a result, the County's financial statements did not properly reflect in its Agency funds the Department's financial activity.

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)

Accounting records and other public records must be maintained in a manner that will support accurate financial statements. Anything other than an unqualified opinion on the Independent Auditors' Report on the financial statements may have adverse financial consequences with the possibility of an increase in interest rate cost to the taxpayers of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

2. Financial ledgers were not maintained to record and summarize financial activity.

IC 5-13-5-1 states:

"(a) Every public officer who receives or distributes public funds shall:

- (1) keep a cashbook into which the public officer shall enter daily, by item, all receipts of public funds; and
- (2) balance the cashbook daily to show funds on hand at the close of each day.

(b) The cashbook is a public record and is open to public inspection in accordance with IC 5-14-3."

3. Not all monies received by the Detention Center were remitted to the County. The Detention Center receives monies from the Indiana Department of Education under the National School Lunch Program to fund expenditures related to meals served to juveniles. Monies received under this program were deposited into a separate depository account maintained by the Detention Center. These funds are to be remitted to the County Treasurer for incorporation in the County's financial records and for the processing of expenditures related to the Detention Center. However, during the last four months of 2009 the Detention Center did not remit the money to the County Treasurer and instead disbursed these funds directly without going through the County's normal disbursement process. As a result, the County's financial statements did not properly reflect the financial activity related to governmental funds.

CLARK COUNTY JUVENILE DETENTION
CLARK COUNTY
AUDIT RESULTS AND COMMENT
(Continued)

As of April 2010, the Juvenile Detention Center had received approximately \$23,100 that had not been remitted to the County. Funds totaling \$8,149 had been disbursed as of April 2010.

IC 36-2-10-9 states in regards to the duties of the County Treasurer:

"The treasurer shall receive money to which the county is entitled and shall disburse it on warrants issued and attested by the county auditor."

IC 5-11-10-2(a) states:

"Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer."

4. We noted expenditures made from the Juvenile Detention funds totaling \$2,085 for personal items such as, staff meals, flowers, and sports team sponsorship. We also noted disbursement in the amount of \$2,657 without adequate supporting documentation identifying the purpose and nature of the expenditures.

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 unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

CLARK COUNTY JUVENILE DETENTION
CLARK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 18, 2010, with Lyda Abell, Director.

The contents of this report were also discussed on September 30, 2010, with M. Edward Meyer, President of the Board of County Commissioners, and Jack Coffman, President of the County Council.