

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

EXAMINATION REPORT
OF
PROSECUTING ATTORNEY
SCOTT COUNTY, INDIANA
January 1, 2009 to December 31, 2009



FILED
02/25/2011

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Prosecuting Attorney	Jason M. Mount	01-01-07 to 12-31-14
President of the County Council	Tommy Herald Donnie Richie Mike Zollman	01-01-09 to 12-31-09 01-01-10 to 12-31-10 01-01-11 to 12-31-11
President of the Board of County Commissioners	Mark Hays Robert C. Tobias Larry Blevins	01-01-09 to 12-31-09 01-01-10 to 12-31-10 01-01-11 to 12-31-11



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TO: THE OFFICIALS OF SCOTT COUNTY

We have examined the records of the Prosecuting Attorney 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 Examination Results and Comments. The financial transactions of this office are reflected in the Annual Report of Scott County for the year 2009.

STATE BOARD OF ACCOUNTS

January 12, 2011

PROSECUTING ATTORNEY
SCOTT COUNTY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

Deficiencies relating to the financial records of the Prosecutor's Bad Check Fund 2005, which were cited in the prior reports, were again present as follows:

1. Detail subsidiary records identifying to whom money is owed in the Bad Check Fund 2005 were not presented for reconciliation with the calculated ledger balance at December 31, 2009; thus preventing proper identification to whom the money belongs and the amount.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledgers, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledger, 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)

2. Record balances were not reconciled to depository balances.

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

"All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

3. Collections were not always deposited timely for the Bad Check Fund 2005. A review of receipts for the bad check fund noted instances in which receipts were deposited up to 113 days after issuance of the receipts.

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 or depositories selected by the . . . local board of finance . . .

A similar comment was included in prior Reports B24993, B26883, B29575, B31359, B33845, and B35841, for the years 2003 through 2008.

OLD OUTSTANDING CHECKS (WARRANTS)

Our preparation of the bank reconciliation for the Prosecutor's Bad Check Fund as of December 31, 2009, revealed outstanding checks in excess of two years.

The Prosecutor should not allow checks to remain outstanding for an unreasonable length of time. Checks mailed and returned because of the inability of delivery to the payee or checks remaining outstanding in excess of two years should be receipted to the cashbook as an item of trust and reinstated in the register of trust in the name of the payee.

PROSECUTING ATTORNEY
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EXAMINATION RESULTS AND COMMENTS
(Continued)

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."

INVESTIGATION PETTY CASH FUND

On October 14, 2008, the County Council adopted Ordinance 2008-08 establishing a Prosecutor's Investigation Petty Cash Fund for the office of the Prosecuting Attorney in the amount of \$5,000. The ordinance states that the purpose of this fund is to pay expenses related to investigations. We noted the following regarding the use of the Prosecutor's Investigation Petty Cash Fund:

1. The fund was used to pay for items not directly related to investigations. The following are examples of expenditures paid or incurred during the year 2009:

Purpose	Amount
Appreciation Dinner	\$ 2,092.06
Youth Character Counts Program (1)	1,900.00
Travel and Conferences	1,691.59
Public Safety Programs	565.00
Law Books	1,212.99
Total	\$ 7,461.64

Note to Schedule: \$1,500 of the amount expended was reimbursed by the Community Foundation

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

2. Expenditures from the Prosecutor's Investigation Petty Cash Fund were used for non-emergency items (see Note to Schedule above) that could have been processed through the standard claim payment process.

IC 36-1-8-3 states in part:

"(b) The custodian of a petty cash fund shall use it to pay small or emergency items of operating expenses. A receipt shall be taken for each expenditure made from the fund.

(c) The custodian of a petty cash fund shall periodically file a voucher; with all original receipts totaling the cash claimed expended being attached to it, so that the fund can be reimbursed for expenditures from it."

PROSECUTING ATTORNEY
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EXAMINATION RESULTS AND COMMENTS
(Continued)

We recommended that the Prosecuting Attorney and the County Council review the purpose of the Prosecutor's Investigation Petty Cash Fund and clarify if the fund is restricted for expenditures related to specific investigations or was established for expenditures related to the operation of the office of the Prosecuting Attorney. We also recommended that the amount of the petty cash fund (\$5,000) be reviewed to determine if the amount of the fund is appropriate for the purpose of the fund.

PROSECUTING ATTORNEY
SCOTT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on January 12, 2011, with Jason M. Mount, Prosecuting Attorney. The official concurred with our examination findings.