

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

AUDIT REPORT
OF

THOMAS N. FREDERICK
JUVENILE JUSTICE CENTER
ST. JOSEPH COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED
08/25/2011

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	William M. Bruinsma	01-01-10 to 12-31-11
Controller	Julie A. Dominiack	01-01-10 to 12-31-11
President of the County Council	Rafael Morton	01-01-10 to 12-31-11
President of the Board of County Commissioners	Robert Kovach	01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF ST. JOSEPH COUNTY

We have audited the records of the Thomas N. Frederick Juvenile Justice Center for the period from January 1, 2010 to December 31, 2010, 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 St. Joseph County for the year 2010.

STATE BOARD OF ACCOUNTS

July 20, 2011

THOMAS N. FREDERICK JUVENILE JUSTICE CENTER
ST. JOSEPH COUNTY
AUDIT RESULTS AND COMMENTS

PROBATION FUND DEPOSITS

In four instances tested, Probation Fund receipts were deposited later than the next business day. December 1, 2010 receipts for \$1,466.77 were deposited on December 3, 2010, two business days after receipt. December 3, 2010 receipts for \$806.35 were deposited on December 8, 2010, three business days after receipt. December 8, 2010 receipts for \$1,126.50 were deposited on December 13, 2010, three business days after receipt. December 9, 2010 receipts for \$487.50 were deposited on December 13, 2010, two business days after receipt.

For those receipts tested, two days' Probation Fund receipts were not deposited in the manner in which they were received. The December 28, 2010 receipts show \$575 in cash and \$1,052 in checks were received. The deposit ticket shows \$555 in cash and \$1,072 in checks were deposited. The December 31, 2010 receipts show \$289.78 in cash and \$245 in checks were received. The deposit ticket shows \$254.78 in cash and \$280 in checks were deposited.

Probation user fees and monitoring fees were not remitted to the County Auditor's office in a timely manner. For example, the September 2010 probation user fees and monitoring fees were not remitted to the County Auditor's office until December 30, 2010.

A similar comment appeared in prior audit Report B37541.

Indiana Code 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. . . ."

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

DETAINEES TRUST FUND RECEIPTS, DEPOSITS, AND CASH DISBURSEMENTS

Detainees Trust Fund receipts were not always legible. We could not determine if receipts were properly issued, recorded, and deposited.

Eight detainees Trust Fund receipts tested were not deposited into the bank or entered in the ledger. The money was given back to the detainees in the form of cash anywhere from one to twenty-three days after the money was received by the Juvenile Justice Center.

The majority of the Detainees Trust Fund receipts were not deposited timely.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

THOMAS N. FREDERICK JUVENILE JUSTICE CENTER
ST. JOSEPH COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 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. . . ."

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

EQUIPMENT REIMBURSEMENT FUND RECEIPTS AND DEPOSITS

Eight receipts written in August and September 2010 totaling \$170 were not deposited into the bank until October 4, 2010.

Five receipts written out of sequence for October and November 2010 totaling \$220 were not deposited into the bank until December 6, 2010. These five receipts were included in a receipt book which had three subsequent dated receipts issued prior to these five receipts. One subsequent dated receipt was dated February 4, 2011, one receipt was not dated, and the third receipt was void.

No deposit tickets were available to determine if the receipts were deposited in the same manner in which they were received.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Indiana Code 5-13-6-1(c) states in part:

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THOMAS N. FREDERICK JUVENILE JUSTICE CENTER
ST. JOSEPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 23, 2011, with Julie A. Dominiack, Controller, and Angela Mell, Bookkeeper. The official response has been made a part of this report and may be found on pages 7 and 8.

This report was also discussed on July 20, 2011, with Robert Kovach, President of the Board of County Commissioners, and Rafael Morton, President of the County Council. These officials concurred with our findings.

ST. JOSEPH PROBATE COURT

Peter J. Nemeth, Judge

William M. Bruinsma, Psy.D., HSPP
Executive Director

Charles S. Whetstone
Director of Probation

Nathan V. Henderson
Director of Detention

THOMAS N. FREDERICK
JUVENILE JUSTICE CENTER
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South Bend, IN 46601-3426
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Jeffrey A. Gensinger
Director of Intake

May 30, 2011

State Board of Accounts
302 W. Washington Street, Room E 418
Indianapolis, IN 46204-2765

Re: Official Response

Dear State Board of Accounts:

The purpose of this letter is to respond to the findings of the 2010 audit conducted at the Thomas N. Frederick Juvenile Justice Center.

Probation Fund Deposits

As explained to our field examiner, over the course of the year our deposits were consistently deposited on the next business day. Unfortunately, December was an unusual month and our normal timeliness was not reflected by the dates chosen in December. In terms of intactness, we have several types of fees that are collected and deposited in two separate locations. The problem is that a money order or business check received might actually include several different fees and the initial form of payment must be changed in order to disburse the funds to the proper accounts. We have reduced those occurrences by depositing the majority of the fees into one account and dispersing the funds from that account but there is one remaining account that can't be done with and will continue to happen on occasion. Also, there are times when the wrong form of payment is chosen by the person issuing the receipt. We discussed this with our field examiner and we will try to correct the receipts when possible and to leave a paper trail that would explain any changes made with regards to the intactness.

The Probation user fees were being transferred to the County Auditor's office on a quarterly basis and we will strive to make the transfers on a monthly basis. One of the problems has been that we are charged by our bank if there is not a minimum balance remaining in the account. Also, during the time period mentioned we were short one staff person while our bookkeeper was on maternity leave from September to December 2010.



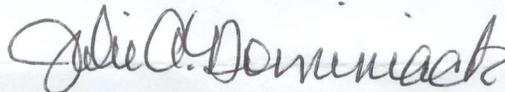
**ST. JOSEPH PROBATE COURT
JUVENILE JUSTICE CENTER**

Detainees Trust Fund Receipts, Deposits, and Cash Disbursements AND the Equipment Reimbursement Fund Receipts and Deposits.

A memo has been issued to the staff members that handle these funds to remind them of the importance to write receipts legibly, make deposits no later than the next business day and to always issue a check when refunding money rather than giving back the cash even if it hasn't gone to the bank yet. We will also make sure we keep copies of the deposit tickets to show that receipts were deposited in the same manner in which they were received.

I appreciate the opportunity to respond to the audit findings. Feel free to contact me if you have any questions or concerns with regards to the above.

Sincerely,



Julie A. Dominiack
Controller