

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

AUDIT REPORT

OF

COUNTY SHERIFF

MADISON COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
09/05/2012

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Ron Richardson	01-01-11 to 12-31-14
President of the County Council	Larry Crenshaw William Michael Phipps	01-01-11 to 12-31-11 01-01-12 to 12-31-12
President of the Board of County Commissioners	John Richwine	01-01-11 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF MADISON COUNTY

We have audited the records of the Madison County Sheriff for the period from January 1, 2011 to December 31, 2011, 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 Madison County for the year 2011.

STATE BOARD OF ACCOUNTS

July 12, 2012

COUNTY SHERIFF
MADISON COUNTY
AUDIT RESULT AND COMMENT

CONDITION OF RECORDS - INMATE TRUST ACCOUNT

The following deficiencies relating to the recordkeeping were present during our period of audit:

1. A reconciliation of record balances to depository balances at December 31, 2011 was not presented for audit. The State Board of Accounts attempted a reconciliation and arrived at an adjusted bank balance of \$8,770; however, the balance reported on the financials was a balance of \$11,353, representing a possible overstatement of the cash balance in the amount of \$2,583.
2. The Jail obtained a new electronic system for maintaining inmate trust records during the audit period. The system does not include a ledger for the inmate trust fund which shows receipts, disbursements, and balances. The software vendor did use the data in the system to compile an electronic ledger in the form of an excel spreadsheet; however, this form was not submitted for approval by the State Board of Accounts as a replacement for the prescribed ledger form, General Form 358 – Ledger of Receipts, Disbursements, and Balances. This spreadsheet once generated requires formulas be added in order to compute balances. The unit did not continue to maintain the prescribed ledger form once the software was implemented.
3. A detail of inmate trust balances at December 31, 2011, was provided for audit; however, a reconciliation to the ledger balance and bank account balance was not provided because the recordkeeping software does not have a ledger function and a prescribed manual ledger was not maintained after implementation of the electronic recordkeeping system. In addition, the detailed trust balance did not agree to the balance computed by the excel spreadsheet created by the software vendor.
4. The December 31, 2011 balance reported on the Supplemental CAR for the inmate trust fund did not agree to the balance reported on the "Balance Sheet Report" as generated by the software. The Supplemental CAR report, as presented on the financial statements, reported a balance of \$11,353; however, the balance sheet report from the software indicated a balance of \$6,306.

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)

Indiana Code 5-13-6-1(e) states: "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."

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

COUNTY SHERIFF
MADISON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 12, 2012 with Ron Richardson, Sheriff; James Cleaver, Captain; and Andrew Williams, Jail Commander. The officials concurred with our audit findings.