

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

AUDIT REPORT

OF

COUNTY SHERIFF

JENNINGS COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
09/14/2012

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Steve Hoppock	01-01-11 to 12-31-14
President of the County Council	Howard L. Malcomb	01-01-11 to 12-31-12
President of the Board of County Commissioners	Jeffrey S. Day	01-01-11 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF JENNINGS COUNTY

We have audited the records of the 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 Results and Comments. The financial transactions of this office are reflected in the Annual Report of Jennings County for the year 2011.

STATE BOARD OF ACCOUNTS

August 15, 2012

COUNTY SHERIFF
JENNINGS COUNTY
AUDIT RESULTS AND COMMENTS

OLD OUTSTANDING CHECKS

Our review of the bank reconcilements as of December 31, 2011, revealed checks outstanding in excess of two years.

Indiana Code 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."

Indiana Code 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the board: (1) of finance of the political subdivision; or (2) the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

INMATE TRUST

The Jennings County Sheriff's Department operates a county jail; therefore, the Sheriff shall hold in trust separately for each inmate any money received from that inmate or from another person on behalf of that inmate as required by Indiana Code 36-8-10-22. The Sheriff's Department did not maintain the prescribed manual Ledger of Receipts, Disbursements and Balances, General Form 358, for each individual and also as a control ledger. Instead a computerized system has been installed. The computerized software system that accounts for the inmates' financial activity for the Inmate Trust Account #1 was changed in June of 2009. In addition, the Sheriff's Department opened a new bank account in conjunction with the new computer software system which the County Sheriff started the Inmate Trust #2 Account. Starting in June 2009 all inmate transactions were processed through the Inmate Trust #2 Account. The Inmate Trust #1 Account remained in place to account for inmates processed prior to June 2009.

COUNTY SHERIFF
JENNINGS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

The following are deficiencies we noted during our review of the computerized accounting system used to account for the Inmate Trust Funds:

1. For the Inmate Trust #1 Account, the Sheriff's Department prints out a monthly detail of individual inmate trust balances on hand (trust ledger) at the end of each month; however, there is no grand total of the detail on the report. No reconcilements were performed between the trust ledger and the inmate trust ledger's cash balance. The computerized accounting system does not have the ability to retrieve a detail trust register for dates other than the current date and time.
2. The trust register for Inmate Trust #1 Account presented for audit showed multiple trust balances for some inmates that had been booked into the jail repetitively. The computerized accounting system transfers any prior balance the inmate had from a previous booking to a new trust account; however, the balances from previous accounts were not removed.
3. The Sheriff's Department charges the inmate's trust account for the cost of any medical or other supplies the inmate needs whether or not the inmate has trust funds on hand. This results in an inmate with no trust funds on hand having a negative trust balance when the inmate is released. These negative inmate trust balances (due to charging inmates for cost of medical and other supplies) were reported on the Inmate Trust #1 trust register; however, these balances cannot be used in determining the outstanding trust balance at a point in time.

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
JENNINGS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 15, 2012, with Steve Hoppock, Sheriff, and Kim Lainhart, Matron. The officials concurred with our audit findings.

The contents of this report were also discussed on August 15, 2012, with Jeffrey S. Day, President of the Board of County Commissioners, and Howard L. Malcomb, President of the County Council.