

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

AUDIT REPORT  
OF  
COUNTY SHERIFF  
PORTER COUNTY, INDIANA  
January 1, 2011 to December 31, 2011



**FILED**  
09/19/2012



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials .....	2
Transmittal Letter .....	3
Audit Results and Comments:	
Condition of Records – Inmate Trust.....	4
Prescribed Forms – Commissary .....	4
Internal Controls – Inmate Trust.....	4
Exit Conference.....	5

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	David E. Lain	01-01-11 to 12-31-14
President of the County Council	Daniel Whitten	01-01-11 to 12-31-12
President of the Board of County Commissioners	John Evans	01-01-11 to 12-31-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

---

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF PORTER 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 Porter County for the year 2011.

STATE BOARD OF ACCOUNTS

July 31, 2012

COUNTY SHERIFF  
PORTER COUNTY  
AUDIT RESULTS AND COMMENTS

***CONDITION OF RECORDS - INMATE TRUST***

The Sheriff contracts with Canteen Correctional Services (Canteen) for computer services associated with the Inmate Trust Fund. The bank balance consistently exceeded the ledger balance for 2011 by \$13,061.32. An adjusting entry was made on November 28, 2011, to correct the \$13,061.32 difference and bring the ledger balance into agreement with the bank balance.

Then, on December 15, 2011, a deduction of \$13,472.04 was made to the ledger in order to bring the ledger and reconciled bank account balance into agreement. It is unclear as to the reason for this adjustment.

At all times, the manual and 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 in Indiana, Chapter 1)

***PRESCRIBED FORMS - COMMISSARY***

Receipts used for Commissary collections were not approved for use.

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)

***INTERNAL CONTROLS - INMATE TRUST***

Controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient. The Sheriff contracts with Canteen Correctional Services (Canteen) for computer software associated with the Inmate Trust Fund. At December 31, 2011, the Inmate Trust Fund was overdrawn by \$26,098.05 due to Canteen over-charging the Sheriff for services. The monthly invoices were overstated and were not reviewed by anyone at the Sheriff's Department. The Sheriff's Department and Canteen are currently working together to determine how much money is owed to the Sheriff and how they will correct this discrepancy going forward.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Counties in Indiana, Chapter 1)

COUNTY SHERIFF  
PORTER COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 31, 2012, with David Lain, Sheriff, and Bud Gootee, Business Manager. The officials indicated that they would be responding to the report but no Official Response was received.