

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

AUDIT REPORT

OF

COUNTY SHERIFF

PIKE COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED
06/27/2013

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Jeremy Britton	01-01-11 to 12-31-14
President of the County Council	Greg Willis	01-01-12 to 12-31-13
President of the Board of County Commissioners	Mark Flint Brian Davis	01-01-12 to 12-31-12 01-01-13 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF PIKE COUNTY

We have audited the records of the County Sheriff for the period from January 1, 2012 to December 31, 2012, 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 Pike County for the year 2012.

STATE BOARD OF ACCOUNTS

April 23, 2013

COUNTY SHERIFF
PIKE COUNTY
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the inmate trust fund balance to the bank account balance were conducted; however, the reconciliation contained errors. The outstanding check list was not accurate as it did not include all outstanding checks. A check was cashed for the incorrect amount and follow up action was not taken.

Cash necessary to balance was \$70.68 at December 31, 2012.

Indiana Code 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."

CONDITION OF RECORDS

Financial records presented for audit were incomplete and not reflective of the activity of the Inmate Trust Fund. The records presented did not provide sufficient information to audit or establish beginning balances, receipts, disbursements, ending balances, or the accuracy or correctness of the transactions.

Some of the deficiencies include:

1. A transfer to the Commissary Fund from the Inmate Trust Fund was posted for the wrong amount. Amount posted to the control was \$133.26 more than the actual transfer.
2. Three checks that were written during 2012 were not posted the control ledger. The three checks totaled \$320.80.
3. Receipts and disbursements posted to the control ledger did not agree to the receipts and disbursements posted to the subsidiary ledgers for the same period.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY SHERIFF
PIKE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

INTERNAL CONTROLS

Internal controls over the receipting, disbursing, recording, and accounting for the financial activities of the Inmate Trust Fund were insufficient.

1. Depository reconciliations of the ledger balance to the bank account balance were not performed accurately. The outstanding check totals used in the reconcilements were not complete. A check was cashed incorrectly by the bank and a correction was not requested. The reconciled cash balance was therefore incorrect.
2. The control ledger did not have all checks posted to it and a transfer to the commissary fund was posted incorrectly. Therefore, the cash balance reflected on the control ledger was inaccurate.
3. Postings to the control ledger did not agree to postings made to the individual subsidiary ledgers. A number of employees will post to the subsidiary ledgers depending on who is working at the time an inmate trust transaction occurs. Postings between the control and subsidiary ledgers are not reconciled on a timely basis to detect errors and ensure both ledgers are in agreement.

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 of Indiana, Chapter 1)

COUNTY SHERIFF
PIKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 23, 2013, with Jeremy Britton, Sheriff; Ronald J. Wilson, Jail Commander; Ronald K. Wilson, County Auditor; Greg Willis, President of County Council; and Brian Davis, President of the Board of County Commissioners. The officials concurred with our audit findings.