

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

AUDIT REPORT

OF

COUNTY SHERIFF

HANCOCK COUNTY, INDIANA

January 1, 2012 to December 31, 2012



**FILED**  
08/23/2013



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Michael Shepherd	01-01-11 to 12-31-14
President of the County Council	William Bolander	01-01-12 to 12-31-13
President of the Board of County Commissioners	Tom Stevens Derek Towle	01-01-12 to 12-31-12 01-01-13 to 12-31-13



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF HANCOCK 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 Hancock County for the year 2012.

STATE BOARD OF ACCOUNTS

July 16, 2013

COUNTY SHERIFF  
HANCOCK COUNTY  
AUDIT RESULTS AND COMMENTS

***BANK ACCOUNT RECONCILIATIONS - SHERIFF INMATE TRUST***

Depository reconciliations of the fund balances to the bank account balances were not presented for audit for any of the twelve months during the audit period. The current software used to administer the sheriff inmate trust accounts does not include a section for reconciling the bank balances to the inmate trust balances. The unit is not reconciling to the bank balance separately. The records presented for audit did not allow the field examiners to reconstruct a reliable bank reconciliation at December 31, 2012. A similar comment appeared in the 2011 report B40951.

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."

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 of Indiana, Chapter 1)

***OFFICIAL BOND***

The official bond for the County Sheriff must be equal \$30,000 for each \$1,000,000 of receipts during the last complete fiscal year. The total receipts in 2011 that ran through the Sheriff's Department were \$2,279,100, which would lead to a calculation of the minimum bond amount for 2012 to be \$60,000. The official bond for the County Sheriff covering the period of January 1, 2012 to January 1, 2013, was for the lesser amount of \$30,000.

Indiana Code 5-4-1-18(c) states in part:

". . . The fiscal bodies of the respective units shall fix the amount of the bond of . . . county treasurers, county sheriffs, circuit court clerks . . . as follows: (1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2). (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a great amount for the officer or employee. . . ."

COUNTY SHERIFF  
HANCOCK COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 16, 2013, with Michael Shepherd, Sheriff; Rita Munden, Jail Administrator; Susan Powers, Matron; and Brad Burkhardt, Chief Deputy.