

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

EXAMINATION REPORT  
OF  
PROBATION DEPARTMENT  
BLACKFORD COUNTY, INDIANA  
January 1, 2012 to August 31, 2013



**FILED**  
12/10/2013



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chief Probation Officer	Aaron Henderson	01-01-12 to 12-31-13
President of the County Council	Cathy Weschke Larry Hile	01-01-12 to 12-31-12 01-01-13 to 12-31-13
President of the Board of County Commissioners	Fred Walker C. Scott Confer	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 BLACKFORD COUNTY

We have examined the records of the Probation Department for the period from January 1, 2012 to August 31, 2013, 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 Examination Result and Comment. The financial transactions of this office for the period January 1, 2012 to December 31, 2012 are reflected in the Annual Report of Blackford County for the year 2012.

STATE BOARD OF ACCOUNTS

November 21, 2013

PROBATION DEPARTMENT  
BLACKFORD COUNTY  
EXAMINATION RESULT AND COMMENT

**INTERNAL CONTROL OVER DEPOSITS**

While performing the examination of the Blackford County Probation Department for the period January 1, 2012 to December 31, 2012, it was determined that receipts were not deposited timely and at December 31, 2012, the cash collected per the receipts issued exceeded the cash deposited by \$2,030. The period being examined was then extended to cover January 1, 2013 to August 31, 2013. The same discrepancies noted in the 2012 examination period also occurred in the 2013 examination period and disclosed that cash deposited exceeded cash collected per receipts issued by \$2,101. All deposits were analyzed during these time periods and compared to the receipts issued per the following schedule:

	<u>Total Receipts</u>	<u>Total Deposits</u>	<u>Variance</u>
January 2012	\$ 7,354.00	\$ 6,554.00	\$ 800.00
February 2012	11,761.00	10,826.00	935.00
March 2012	6,576.50	7,786.50	(1,210.00)
April 2012	5,150.50	4,840.50	310.00
May 2012	5,608.00	4,530.50	1,077.50
June 2012	5,716.60	5,006.60	710.00
July 2012	4,210.00	2,855.00	1,355.00
August 2012	6,527.50	10,495.00	(3,967.50)
September 2012	3,548.00	3,188.00	360.00
October 2012	6,083.65	5,498.65	585.00
November 2012	5,285.40	4,415.40	870.00
December 2012	<u>4,539.00</u>	<u>4,334.00</u>	<u>205.00</u>
Totals 2012	<u>\$ 72,360.15</u>	<u>\$ 70,330.15</u>	<u>\$ 2,030.00</u>
January 2013	\$ 7,166.75	\$ 9,178.75	\$ (2,012.00)
February 2013	8,617.00	8,625.00	(8.00)
March 2013	5,616.50	4,732.50	884.00
April 2013	5,984.00	6,874.00	(890.00)
May 2013	4,782.32	4,778.32	4.00
June 2013	4,432.39	4,511.39	(79.00)
July 2013	5,957.00	5,957.00	-
August 2013	<u>8,254.44</u>	<u>8,254.44</u>	<u>-</u>
Totals 2013	<u>\$ 50,810.40</u>	<u>\$ 52,911.40</u>	<u>\$ (2,101.00)</u>

PROBATION DEPARTMENT  
BLACKFORD COUNTY  
EXAMINATION RESULT AND COMMENT  
(Continued)

The above issues were discussed with Aaron Henderson, Chief Probation Officer, and he disclosed to us that the Bookkeeper during this audit period, Kellee Pugh, was terminated on June 25, 2013. For the period of January 2012 through June 2013 the total deposits were in excess of total receipts in the amount of \$71. We noted that cash receipted equaled cash deposited for the two months following the Bookkeeper's termination.

This trend of months of under depositing followed by periodic significant amounts of deposit in excess of receipts reflects poor controls over cash and allows for the improper use of cash during the periods of under depositing.

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 area necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Indiana Code 5-13-6-1(c) states in part:

". . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . . Public funds deposited . . . shall be deposited in the same form in which they were received."

PROBATION DEPARTMENT  
BLACKFORD COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 21, 2013, with Aaron Henderson, Chief Probation Officer, and Dean A. Young, Judge of the Circuit Court.