

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

JENNINGS COUNTY, INDIANA

January 1, 2014 to December 31, 2014



FILED
02/14/2017

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	3
Transmittal Letter	4
County Treasurer:	
Federal Finding:	
Finding 2014-002 - Financial Transactions and Reporting - County Treasurer.....	6
Corrective Action Plan	7
Audit Results and Comments:	
Cash Book and Bank Reconciliations	8-9
County Treasurer and County Auditor Excise Tax Reconciliation at Settlement Worksheet	9
Exit Conference	10
Clerk of the Circuit Court:	
Federal Finding:	
Finding 2014-004 - Financial Transactions and Reporting - Clerk of the Circuit Court	12-13
Corrective Action Plan	14-15
Audit Results and Comments:	
Condition of Records.....	16-17
Official Bonds	17
Official Response.....	18-19
Exit Conference	20
County Sheriff:	
Audit Results and Comments:	
Inmate Trust Funds	22-23
Cash Bonds.....	23
Debit Cards	23-24
Official Bonds	24-25
Exit Conference	26

TABLE OF CONTENTS
(Continued)

<u>Description</u>	<u>Page</u>
County Recorder:	
Audit Results and Comments:	
Internal Controls	28
County Recorder's Fee Accounts Receivable	28
Official Response	29
Exit Conference	30
Board of County Commissioners:	
Audit Results and Comments:	
Appropriations	32
Travel Policy	32
Credit Cards	32-33
Exit Conference	34
County Assessor:	
Audit Result and Comment:	
Official Bonds	36
Official Response	37
Exit Conference	38
County Surveyor:	
Audit Result and Comment:	
Official Bonds	40
Exit Conference	41
County Coroner:	
Audit Result and Comment:	
Official Bonds	44
Exit Conference	45

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Janice L. Ramey Kay S. Vance	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Treasurer	Sandra L. Vance	01-01-13 to 12-31-16
Clerk of the Circuit Court	Mary Dorsett Kilgore	01-01-11 to 12-31-18
County Sheriff	Steve Hoppock Gary M. Driver	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Recorder	Lisa Jines-Plessinger Janice L. Ramey	01-01-11 to 12-31-14 01-01-15 to 12-31-18
President of the Board of County Commissioners	Matt Sporleder	01-01-14 to 12-31-16
President of the County Council	Howard L. Malcomb	01-01-14 to 12-31-16



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

TO: THE OFFICIALS OF JENNINGS COUNTY, INDIANA

This report is supplemental to our audit report of Jennings County (County), for the period from January 1, 2014 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Federal Findings and Audit Results and Comments that pertain to the County. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the County, which provides our opinions on the County's financial statement and federal program compliance. This report may be found at www.in.gov/sboa/.

The Federal Findings, identified in the above referenced audit report, are included in this report and should be viewed in conjunction with the Audit Results and Comments as described below.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Corrective Action Plan for the Federal Findings and Official Response to the Audit Results and Comments, incorporated within this report, were not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

February 23, 2016

COUNTY TREASURER
JENNINGS COUNTY

COUNTY TREASURER
JENNINGS COUNTY
FEDERAL FINDING

FINDING 2014-002 - FINANCIAL TRANSACTIONS AND REPORTING - COUNTY TREASURER

The County Treasurer's Office is responsible for maintaining the County Treasurer's Daily Balance of Cash and Depositories (Cash Book). The Cash Book reflects the daily receipts and disbursements, the total amount of cash and investments, and a proof of the financial condition of the office at the close of each day. We noted several deficiencies in the internal control system of the County Treasurer's Office related to the Cash Book and financial transactions.

1. There was a lack of segregation of duties in that the Bookkeeper receipted money, voided receipts, balanced the day's business in the financial software, posted the County Treasurer's Cash Book, made adjustments, made bank deposits, and prepared reconciliation reports. The Bookkeeper also prepared the settlement documents. There was no documented oversight or review of the Bookkeeper's work. The staff consisted of the County Treasurer, the Bookkeeper, and a part-time staff person. All staff collected property tax payments.
2. No evidence of verification that the property tax collection reports were reconciled with the Cash Book balances on a regular basis.
3. There were not sufficient controls over the property tax settlement process. There was no supporting documentation to reconcile the amounts posted to the Cash Book to the supporting property tax settlement worksheets for both receipts and the subsequent disbursements, to ensure that all amounts had been properly posted.
4. From January 2013 through December 31, 2015, bank reconciliations of the bank statement balances to the County Treasurer's Daily Balance of Cash and Depositories ("Cash Book") balances were not prepared. Similar issues of the County Treasurer not reconciling the County's bank accounts with the County Treasurer's Cash Book were included in prior reports since 2009.
5. Due to lack of controls, electronic fund transfers (EFT's) identified in the prior audit had not been posted to the County Auditor's Funds ledger or the County Treasurer's Cash Book.

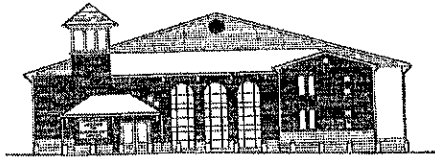
Due to the weaknesses in internal controls and the condition of records as noted above, material misstatements of the financial statement were identified; however, additional misstatements may exist and remain undetected.

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.

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 County Treasurers of Indiana, Chapter 10)

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 County Treasurers of Indiana, Chapter 10)

Indiana Code 5-13-6-1(e) states: "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."



Jennings County Government Center
200 East Brown Street, Vernon, IN 47282

Sandra L. Vance
Treasurer of Jennings County
200 East Brown Street
P.O. Box 368 Vernon, IN 47282
slvance@jenningscounty-in.gov
Phone: (812) 352-3060 Fax: (812) 352-3064

Corrective Action Plan

February 17, 2016

Finding 2014-002

Sandra L. Vance

812-352-3060

We've implemented new procedures to address the segregation of duties and other items mentioned in the report including changes in personal.

Sincerely,

Sandra L. Vance

A handwritten signature in cursive script that reads "Sandra L. Vance". The signature is fluid and matches the printed name above it.

Treasurer of Jennings County

COUNTY TREASURER
JENNINGS COUNTY
AUDIT RESULTS AND COMMENTS

CASH BOOK AND BANK RECONCILIATIONS

There was a lack of internal controls over the recording of transactions to the Cash Book and the depository reconciliations of the fund balances to the bank account balances. The following issues were identified:

1. On December 31, 2014, an adjustment was posted to various funds. The adjustment increased the book balance by \$388,403. There was no deposit in the bank accounts to support the increase in the book balance.
2. The Cash Book is maintained on Excel worksheets. On December 30, 2014, the formulas for the Balance Collections Forward column were deleted and unsupported amounts were entered. This caused the Cash Book to appear to be cash long by \$9,463.
3. Cash short or cash long entries are recorded in the Cash Book indicating a difference between the ending balance of the taxes, other sources, funds and investments, when compared to the ending depository balances. Various cash short and cash long entries during the year did not include documentation of why these entries existed. The net effect of the cash short and cash long amount at December 31, 2014, was \$875,902.
4. The Auditor of State made a deposit of \$59,543 by Electronic Fund Transfer (EFT) to the Jennings County Treasurer's bank account on December 30, 2014. The deposit included watercraft tax of \$1,010 and Motor Vehicle Replacement Tax of \$58,533. The watercraft tax was posted to the County Treasurer's Cash Book on June 17, 2015, but the Motor Vehicle Replacement Tax has not been posted as of January 24, 2016.
5. EFT'S from March to November 2014 totaling \$765,118 were not receipted and entered in the Cash Book until December 8, 2014.
6. The County Treasurer did not keep a copy of the Bureau of Motor Vehicles (BMV) deposit reports from the FTP website for Vehicle License Excise Tax so we could not verify that the Treasurer was posting from the BMV deposit reports. It also could not be determined what the balance should be in the license excise account on December 31, 2014.
7. The Cash Book balance for Excise Tax Cut Replacement, Aircraft License Excise Tax, Auto Rental Excise Tax, and Boat Excise was \$18,245 more than the calculated amount.

Indiana Code 5-13-6-1(e) states: "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."

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.

COUNTY TREASURER
JENNINGS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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 County Treasurers of Indiana, Chapter 10)

Indiana Code 5-13-5-1 states in part:

"(a) Every public officer who receives or distributes public funds shall:

- (1) keep a cashbook into which the public officer shall enter daily, by item, all receipts of public funds; and
- (2) balance the cashbook daily to show funds on hand at the close of each day."

***COUNTY TREASURER AND COUTY AUDITOR EXCISE TAX
RECONCILIATION AT SETTLEMENT WORKSHEET***

The County Auditor's and County Treasurer's excise tax reconciliation worksheet filed with the Auditor of State's office for the spring and fall settlement did not agree with the County's supporting documentation. The total amount reported on line 1 as County Treasurer Certified Excise Tax of taxes reported for spring and fall was \$477,562 more than the amount on the County Auditor's Excise Tax Summary Report By Taxing Unit. The amount of Excise Tax to be Distributed at Settlement was \$208 more than the amount on the County Auditor's Certification of Tax Distribution, Form 22.

Line 8: Excise Tax Received After The Auditor Cut-Off Date was \$364,838, but could not be verified because the County Auditor did not maintain records to support this amount. The amount of excise taxes on the County Treasurer's Cash Book on December 31, 2014, was \$355,409.

The Reconciled Difference, line 10 should be zero, but was \$52,014 on the spring settlement.

A similar comment appeared in prior Report B45649.

At the time of each semiannual tax settlement the treasurer shall report such tax collections, together with the aircraft license excise tax and auto rental excise tax collections discussed in this section, on County Form 49TC, County Treasurer's Certificate of Tax Collections, and the total shown by the county auditor's records shall be verified with the treasurer's certificate before distribution is made. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 6)

COUNTY TREASURER
JENNINGS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 17, 2016, with Sandra L. Vance, County Treasurer.

The contents of this report were discussed on February 23, 2016, with Matt Sporleder, President of the Board of County Commissioners; Howard Malcomb, President of the County Council; Paul Belding, County Council member; and David Woodall, County Council member.

CLERK OF THE CIRCUIT COURT
JENNINGS COUNTY

CLERK OF THE CIRCUIT COURT
JENNINGS COUNTY
FEDERAL FINDING

FINDING 2014-004 - FINANCIAL TRANSACTIONS AND REPORTING - CLERK OF THE CIRCUIT COURT

We noted several deficiencies in the internal control system of the Clerk of the Circuit Court's Office related to financial transactions and reporting.

The Clerk of Circuit Court could not present for audit bank account reconciliations for any month for any of the funds that the Clerk of Circuit Court's Office was responsible. That includes the Odyssey Trust Account, ISETS, and MHI, which is the former trust account. Detailed information for the Odyssey Trust Account activity and account balances was available, however, no reconciliations were provided. The ISETS account reconciliation did not have adequate supporting documentation, including outstanding check lists or deposits in transit. No detailed information supporting the activity of the MHI account was provided, including outstanding check lists, deposits in transit, or a trust account balance. Therefore, we were unable to verify bank reconciliations as of December 31, 2014.

There were no controls in place to document when cash bonds purchased at the Jennings County Jail were transferred from the County Sheriff's Department to the Clerk of the Circuit Court's Office. The Clerk does not write a receipt to the County Sheriff when the collections are received. The Clerk of the Circuit Court does issue a receipt to the person purchasing the bond at the time the receipt is entered into the Odyssey System. There was an instance when 37 days elapsed between the payment of the cash bond and the receipt written to the individual.

There is a lack of segregation of duties in financial transactions. The Clerk of the Circuit Court's Bookkeeper can collect payments, issue receipts, count the daily collections from the cashiers, create bank deposit slips, and make bank deposits. Another employee opens the mail, receipts in all mail items, handles the garnishments, and issues the checks.

There were no internal controls in place to ensure that each person was actually logging in to the Odyssey software under their own login ID and password in order to issue receipts.

All employees can process payments and share one cash drawer.

There was a lack of segregation of duties. Control activities should be selected and developed at various levels of the Clerk of the Circuit Court's Office to reduce risks to the achievement of financial reporting objectives. The Clerk of the Circuit Court has not separated incompatible activities related to receipts, disbursements, and cash balances.

CLERK OF THE CIRCUIT COURT
JENNINGS COUNTY
FEDERAL FINDING
(Continued)

Without the proper system of internal controls in place that operates effectively, material misstatements of the financial statement could occur and remain undetected. We consider the above lack of internal controls to be material weaknesses.

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 Clerk of the Circuit Courts of Indiana, Chapter 13)

Indiana Code 5-13-6-1(e) states: "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."

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.

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 Clerks of the Circuit Courts of Indiana, Chapter 13)

Access to information stored on the computer must be protected through the use of user identification codes and confidential passwords. These passwords must meet the following criteria: Each user must have a unique user identification code and password. . . . User identification codes and passwords may not be shared. . . . (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 14)



MARY DORSETT KILGORE JENNINGS COUNTY
CLERK OF THE CIRCUIT & SUPERIOR COURTS

Corrective Action Plan

Finding 2014-004

Contact Person for Corrective Action Plan: Mary Dorsett Kilgore

Contact Phone Number : (812)352-3073

"The Clerk could not present for audit bank account reconciliations for any month for any of the funds that the Clerk's office was responsible. That includes the Odyssey Trust Account, ISETS, and MHI, which is the former trust account. Detailed information for the Odyssey Trust Account activity and account balances was available, however, no reconciliations were provided. The ISETS account reconciliation did not have adequate supporting documentation, including outstanding check lists or deposits in transit. No detailed information supporting the activity of the MHI account was provided, including outstanding checklists, deposits in transit, or a trust account balance. Therefore, we were unable to verify bank reconciliations as of December 31, 2014."

Response & Corrective Plan: This office was trained to do month and year end financial reporting by Odyssey representatives. The reports required to complete task were told to us by the same. Any report not presented for audit reconciliation was solely because this office was not made aware of its requirement. As always, upon request, reports from Odyssey can be made available in minutes starting from our initial "go-live date," to present day. As far as the current Clerk can discern, the clerk's accounts have not been reconciled as far back as 1999. See Report B32043. Because the current administration has implemented Odyssey, we believe we will be able to reach reconciliation with regard to activity in that system that began in December 2011. We are working toward this goal.

Also, the staff that did not reconcile the records in the previous administration have been replaced.

"There were no controls in place to document when cash bonds purchased at the Jennings County Jail were transferred from the Sheriff's Department to the Clerk's office. The Clerk does not write a receipt to the Sheriff when the collections are received. The Clerk does issue a receipt to the person purchasing the bond at the time the receipt is entered into the Odyssey System. There was an instance when thirty seven days elapsed between the payment of the cash bond and the receipt written to the individual."

Response & Corrective Plan: Odyssey automatically generates a receipt on the day the money is entered. It is the Clerk's office practice to enter these immediately. The Sheriff's dept. has not asked for receipts until February 2016. Since SBOA has discussed this with us, we are discussing with Sheriff's department that SBOA is recommending we issue a hand written receipt upon acceptance of bond monies.

Jennings County Clerk
25 Pike Street
Box 385
Vernon, IN 47282
812-352-3070

"There is a lack of segregation of duties in financial transactions. The Clerk's bookkeeper can collect payments, issue receipts, count the daily collections from the cashiers, create bank deposit slips, and make bank deposits. Another employee opens the mail, receipts in all mail items, handles the garnishments, and issues the checks. " "There was a lack of segregation of duties. Control activities should be selected and developed at various levels of the Clerk of the Circuit Court's office to reduce risks to the achievement of financial reporting objectives. The Clerk of the Circuit Court has not separated incompatible activities related to receipts, disbursements, and cash balances."

Response: In this office, "lack of segregation of duties," is not to be confused with employees being cross-trained. Due to budgeting and limited staffing, this office strives for quality public service by ensuring that every employee has the required knowledge to best serve the public in the event an employee is absent whom usually handles that specific request. If each duty listed in this condition had a dedicated staff person, it would require a staff of more than 11 separate staff persons for the financial aspects of this office alone. The financial workings are just a small percentage of the day to day obligations this office has.

Corrective Plan: Continue to spread duties when adequate staffing is available but not to defer providing quality service to the public of Jennings County.

"There were no internal controls in place to ensure that each person was actually logging in to the Odyssey software under their own log in ID and password in order to issue receipts."

Response & Corrective Plan: This was on the last audit. It is 100% not accurate. All seven staff members are required to log into and log out of a new session of Odyssey when using either of the two front counter terminals. The same when they are away from their desks

"All employees can process payments and share one cash drawer."

Response & Corrective Plan: Potentially, Council would have to provide funds to purchase separate drawers for each staff. This may not be a practical procedure due to the time consuming nature of closing 6 separate tills at the end of each day.

Anticipated Completion Date: September 30, 2016

Respectfully Submitted,



Mary Dorsett Kilgore
Clerk of Jennings County Circuit & Superior Courts
February 23, 2016

Jennings County Clerk
25 Pike Street
Box 385
Vernon, IN 47282
812-352-3070

CLERK OF THE CIRCUIT COURT
JENNINGS COUNTY
AUDIT RESULTS AND COMMENTS

CONDITION OF RECORDS

Proper internal controls were not in place over the financial records of the Clerk of the Circuit Court's Office. Financial records presented for audit were incomplete and not reflective of the activity of the Office of the Clerk of the Circuit Court. 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.

The Clerk of the Circuit Court did not present any monthly bank account reconciliations that were sufficient to audit for any of the funds the Clerk of the Circuit Court's Office was responsible for. That includes the Odyssey Trust Account, Indiana Support Enforcement Tracking System (ISETS), and MHI Trust, which is the former trust account. Detailed information for the Odyssey Trust Account activity and account balances was available; however, no reconciliations were provided. The ISETS account reconciliation did not have adequate supporting documentation, including outstanding check lists or deposits in transit. No detailed information supporting the activity of the MHI account was provided, including outstanding checklists, deposits in transit, or a trust account balance. Therefore, we were unable to verify bank reconciliations as of December 31, 2014, for audit purposes, due to a lack of supporting documentation.

A similar comment appeared in prior Report B45649.

Some other deficiencies included:

1. Recording errors - State distributions of tax warrant filing fees of \$3,405 during 2014 were recorded as interest earnings.
2. State distributions were receipted when the bank statement was received, rather than when the EFT notification was received. This resulted in December distributions being recorded in the following January.
3. A bank account that had a balance of \$12,389 at December 31, 2014, could not be identified as to the purpose of the account and did not appear to be a part of the financial records of the Clerk of the Circuit Court's Office.

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 Clerks of the Circuit Courts of Indiana, Chapter 13)

Indiana Code 5-13-6-1(e) states: "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."

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.

CLERK OF THE CIRCUIT COURT
JENNINGS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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 Clerks of the Circuit Courts of Indiana, Chapter 13)

OFFICIAL BONDS

Mary Dorsett Kilgore, Clerk of the Circuit Court, obtained an individual Surety Bond; however, per Indiana Code, the amount of coverage was insufficient for the years 2014, 2015, and 2016. The bond was for \$30,000. Based upon the amount of receipts reported for the year 2014 the minimum amount of bond coverage should be \$150,000.

A similar comment appeared in prior Report B45649.

Indiana Code 5-4-1-18 states in part:

"(a) Except as provided in subsection (b), the following city, town, county, or township officers and employees shall file an individual surety bond:

- (1) City judges, controllers, clerks, and clerk-treasurers.
- (2) Town judges and clerk-treasurers.
- (3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.
- (4) Township trustees.
- (5) Those employees directed to file an individual bond by the fiscal body of a city, town, or county.
- (6) Township assessors (if any).

(b) The fiscal body of a city, town, county, or township may by ordinance authorize the purchase of a blanket bond or a crime insurance policy endorsed to include faithful performance to cover the faithful performance of all employees, commission members, and persons acting on behalf of the local government unit, including those officers described in subsection (a).

(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial 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 greater amount for the officer or employee. County auditors shall file bonds in amounts of not less than thirty thousand dollars (\$30,000), as fixed by the fiscal body of the county. The amount of the bond of any other person required to file an individual bond shall be fixed by the fiscal body of the unit at not less than fifteen thousand dollars (\$15,000). . . ."



MARY DORSETT KILGORE
JENNINGS COUNTY CLERK OF THE CIRCUIT & SUPERIOR COURTS

March 3, 2016

OFFICIAL RESPONSE
Finding 2014-004

Official Bonds:

The Clerk does not maintain or have any supervision/control of her official bond. The amount is set by the executive board of the county, and administered by the Auditor's Office. They were made aware at the exit interview that SBOA is recommending \$150,000.00 bond amount.

Condition of Records:

1. "Posting Error – State distributions of tax warrant filing fees of \$3,405 during 2014 were recorded as interest earnings." We were instructed to record in this manner by Odyssey/JTAC, our Indiana State sponsored case management system. We have already started following the new instruction from SBOA.
2. "State distributions are receipted when the bank statement is received, rather than when the EFT notification is received. This results in December distribution being recorded in the following January." Beginning immediately, we will receipt EFT notifications promptly when received.
3. "A bank account that had a balance of \$12,389 at December 31, 2014 could not be identified as to the purpose of the account and does not appear to be a part of financial records of the Clerk's office." This statement is completely erroneous. This was an account at River Valley Financial Bank. It was the original Child Support/ISETS account. Clerk decided for practicality to move it to Main Source. It was left open to allow outstanding checks to clear. We were asked about, and identified it, and provided the bank statements for it.

Jennings County Clerk
25 Pike Street
Box 385
Vernon, IN 47282
812-352-3070

Other:

Clerk respectfully observes and comments that the SBOA reports of the Jennings County Clerk she has seen dating back to 1999 cite deficiency that the books are not reconciled. The current Clerk & administration plan to continue to work with SBOA to implement the proper financial procedures.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mary Dorsett Kilgore".

Mary Dorsett Kilgore
Jennings County Clerk of Circuit & Superior Courts

Jennings County Clerk
25 Pike Street
Box 385
Vernon, IN 47282
812-352-3070

CLERK OF THE CIRCUIT COURT
JENNINGS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2016, with Mary Dorsett Kilgore, Clerk of the Circuit Court; Matt Sporleder, President of the Board of County Commissioners; Howard Malcomb, President of the County Council; Paul Belding, County Council member; and David Woodall, County Council member.

COUNTY SHERIFF
JENNINGS COUNTY

COUNTY SHERIFF
JENNINGS COUNTY
AUDIT RESULTS AND COMMENTS

INMATE TRUST FUNDS

Proper internal controls were not in place over inmate trust accounts held by the County Sheriff's Department. The County Sheriff's Department operates a county jail; therefore, the County 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 old Inmate Trust #1 account was used for inmates processed prior to June 2009. At that time a new software program was installed and new trust accounts and new bank accounts were started for inmates entering the system after that time. No new accounts were entered into Inmate Trust #1 after the new system was started, but it was still used to maintain the inmate accounts that were not active in the system at the time of the conversion. The software is no longer maintained and cannot be accessed to produce current reports. At December 31, 2014, the bank statement balance for Inmate Trust #1 was \$20,580, outstanding checks totaled \$10,912, leaving a control record balance of \$9,668. A manual or computerized detail of activity and outstanding balances for individual accounts was not maintained for 2014. The records provided for audit included only a list of inmate balances as of March 6, 2014, that totaled \$17,565.

A similar comment appeared in prior Report B45649.

A detailed listing of the individual accounts comprising the trust ledger was not being maintained for Inmate Trust #2. After a request from auditors, a detailed listing of the individual accounts was prepared and was presented for December 31, 2014, which reconciled with the control account.

As of December 31, 2014, the outstanding checks that were over two years old totaled \$10,909 for the Inmate Trust #1 account and \$5,379 for the Inmate Trust #2 account. These should be receipted back into the fund control and returned to the subsidiary trust ledger. These accounts should then be remitted to the Attorney General as unclaimed property.

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)

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.

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)

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."

COUNTY SHERIFF
JENNINGS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 36-8-10-22 (c) states: "Upon discharge or release of an inmate from the county jail, the sheriff shall pay to that inmate or his legal guardian any balance remaining in his trust fund."

Indiana Code 32-34-1-20(c) states in part: "Property that is held, issued, or owed in the ordinary course of a holder's business is presumed abandoned if the owner or apparent owner has not communicated in writing with the holder concerning the property or has not otherwise given an indication of interest in the property during the following times: . . ."

Indiana Code 32-34-1-26(a) states in part: "A holder of property that is presumed abandoned and that is subject to custody as unclaimed property under this chapter shall report in writing to the attorney general concerning the property . . ."

Indiana Code 32-34-1-27(a) states: "Except as provided in subsections (b) and (c), on the date a report is filed under section 26 of this chapter, the holder shall pay or deliver to the attorney general the property that is described in the report as unclaimed."

CASH BONDS

Adequate internal controls were not in place for handling cash bonds at the County Sheriff's Department. During the audit period, 58 cash bonds collected by the County Sheriff during October, November, and December of 2014, totaling \$57,302 were not remitted to the Clerk of the Circuit Court until the following year.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

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.

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)

DEBIT CARDS

The County Sheriff is responsible for passing a policy on debit card use by employees of the County Sheriff's Department. No debit card policy was presented for audit; however, there were debit card purchases made from the Sheriff's Commissary fund. The policy should include procedures for the approval, recording, and physical security of the card.

The County Sheriff's Department should have internal controls in place to ensure the debit card is used in accordance with the established policy.

COUNTY SHERIFF
JENNINGS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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.

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)

OFFICIAL BONDS

Stephan Hoppock, former County Sheriff, did not have an official bond recorded for the period January 1, 2014 to December 31, 2014, and no audit evidence was presented to support that the County Sheriff had obtained an individual Surety Bond.

A similar comment appeared in prior Report B45649.

Gary M. Driver, County Sheriff, did not have an official bond recorded for the period January 1, 2015 to December 31, 2015, and no audit evidence was presented to support that the County Sheriff obtained an individual Surety Bond.

Indiana Code 5-4-1-18 states in part:

"(a) Except as provided in subsection (b), the following city, town, county, or township officers and employees shall file an individual surety bond:

- (1) City judges, controllers, clerks, and clerk-treasurers.
- (2) Town judges and clerk-treasurers.
- (3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.
- (4) Township trustees.
- (5) Those employees directed to file an individual bond by the fiscal body of a city, town, or county.
- (6) Township assessors (if any).

(b) The fiscal body of a city, town, county, or township may by ordinance authorize the purchase of a blanket bond or a crime insurance policy endorsed to include faithful performance to cover the faithful performance of all employees, commission members, and persons acting on behalf of the local government unit, including those officers described in subsection (a).

(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

COUNTY SHERIFF
JENNINGS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

- (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 greater amount for the officer or employee. County auditors shall file bonds in amounts of not less than thirty thousand dollars (\$30,000), as fixed by the fiscal body of the county. The amount of the bond of any other person required to file an individual bond shall be fixed by the fiscal body of the unit at not less than fifteen thousand dollars (\$15,000)"

Indiana Code 5-4-1-5.1(b) states in part:

"Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder in the county of residence of the officer, official, deputy, or employee. The county recorder and deputies and employees of the recorder shall file their bonds in the office of the clerk of the circuit court."

COUNTY SHERIFF
JENNINGS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2016, with Kim Lainhart, Bookkeeper; Gary M. Driver, County Sheriff; Jeffrey S. Day, Chief Deputy; Steve Hoppock, former County Sheriff; Matt Sporleder, President of the Board of County Commissioners; Howard Malcomb, President of the County Council; Paul Belding, County Council member; and David Woodall, County Council member.

COUNTY RECORDER
JENNINGS COUNTY

COUNTY RECORDER
JENNINGS COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

Internal controls over the receipting, disbursing, recording, and accounting for the financial activities for the County Recorder's Office.

The following issues were noted:

1. A control ledger of receipts, disbursements, and cash balances was not maintained.
2. The County Recorder and two other employees in the office all operated the same cash drawer.
3. Monthly bank reconciliations were not performed.

As a result, officials were unaware that they had failed to issue a check to transfer funds in the amount of \$7,348 for the April 2015 collections to the County Treasurer.

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.

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 County Recorders of Indiana, Chapter 9)

COUNTY RECORDER'S FEE ACCOUNTS RECEIVABLE

During 2014, the County Recorder changed their policy from allowing customers to establish prepaid accounts for copies to allowing accounts receivable accounts. No written policy was presented for audit which set out the policy allowing customers the ability to set up an accounts receivable account.

There is no statutory authority under IC 36-2-7-10 (recorder's fee statute) to have accounts receivable copy accounts. If you do allow these, it is because of a county office policy. Therefore, you will need to check with the county attorney to see if and how late fees could be added to help with timely collections. During an audit, we will expect you to collect according to statute for the services you provide and you must be complying with county policy. We also would like to see a written legal support from the county attorney for interest or late fees charged. (The County Bulletin and Uniform Compliance Guidelines, July 2010, Volume 374)

Indiana Code 36-2-7-10(a) states:

"The county recorder shall tax and collect the fees prescribed by this section for recording, filing, copying, and other services the recorder renders, and shall pay them into the county treasury at the end of each calendar month. The fees prescribed and collected under this section supersede all other recording fees required by law to be charged for services rendered by the county recorder."

Lisa Jines-Plessinger
420 North 11th Street
Elwood, IN.
46036

February 23, 2016

State Board of Accounts,

I am writing this letter to explain my position as the Recorder of Jennings County, during the 2011-2014 term. I was very loyal to attend every Recorder conference and also the Associations of Indiana Counties, to further my education of how to be the best Recorder possible. I feel I kept up with the laws and guidelines, through the classes offered. I acquired all my mandatory hours and more, by attending the conferences. I did have account receivable accounts for title searchers in my office, during my term. At no time, did I feel, nor was I told that I couldn't provide this service to the searchers. The copies were made and billed to on a monthly basis. There were not any outstanding accounts during my time as the Recorder. Some searchers did prepay. If this was against State Board guidelines, than why did the software company CSI, set up the accounts? The monies from the copies went into the Perpetuation fund. This fund paid for upkeep to the book getting redacted and uploaded to the computers, to help the process of searching. This fund generated money that help keep the office up to date. I was told the day before the exit meeting, on February 22, 2016, by State Board of Accounts that the State Board of Accounts was going to apply a mark against me, of public record at the state. I live over 2 hours away. I have a new job and could not miss work to attend. I called several other Recorders, past and present, concerning this matter of only having prepaid accounts for the title searchers. I spoke to the past president of the Recorders Association. She said her office and many others that she knows, all have AR accounts. I feel, if this is in fact code, State Board of Accounts should educate the Recorders at their earliest time. I spoke to several recorders and they ALL have AR accounts. None of the Recorders, which I talked with, that are still in office, said that they knew about this code. I am honestly typing this letter in true concern that the State has not done a very good job educating fellow Recorders. I have deep concern that I conducted business for the entire 4 years, without any knowledge that copies could not be paid for by account receivable. I appreciate the State Board of Account employee for contacting me. I really believe this matter needs to be addressed. I appreciate the opportunity to voice my opinion.

Thank you for your time,

Lisa Jines-Plessinger

COUNTY RECORDER
JENNINGS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2016, with Lisa Jines-Plessinger, former County Recorder; Janice L. Ramey, County Recorder; Matt Sporleder, President of the Board of County Commissioners; Howard Malcomb, President of the County Council; Paul Belding, County Council member; and David Woodall, County Council member.

BOARD OF COUNTY COMMISSIONERS
JENNINGS COUNTY

BOARD OF COUNTY COMMISSIONERS
JENNINGS COUNTY
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated the Health Department expenditures were in excess of budgeted appropriations by \$15,325.

A similar comment appeared in prior Report B45649.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

TRAVEL POLICY

The officials of Jennings County did not present a travel policy for audit.

Each governmental unit should adopt a written travel policy in conformity with applicable statutes.

Reimbursement for lodging and meals should be based upon actual receipts for amounts paid unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

CREDIT CARDS

The County was using credit cards to purchase items, however, no credit card policy was presented for audit. In addition, 6 of the 10 claims tested were paid based upon a statement and not itemized receipts.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

BOARD OF COUNTY COMMISSIONERS
JENNINGS COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

BOARD OF COUNTY COMMISSIONERS
JENNINGS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2016, with Matt Sporleder, President of Board of the County Commissioners; Howard Malcomb, President of the County Council; Paul Belding, County Council member; and David Woodall, County Council member.

COUNTY ASSESSOR
JENNINGS COUNTY

COUNTY ASSESSOR
JENNINGS COUNTY
AUDIT RESULT AND COMMENT

OFFICIAL BONDS

Linda Kovacich, County Assessor, obtained an individual Surety Bond; however, the amount of coverage was insufficient for the years 2014, 2015, and 2016. Her bond was \$8,500, but should have been for \$15,000.

Indiana Code 5-4-1-18 states in part:

"(a) Except as provided in subsection (b), the following city, town, county, or township officers and employees shall file an individual surety bond:

- (1) City judges, controllers, clerks, and clerk-treasurers.
- (2) Town judges and clerk-treasurers.
- (3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.
- (4) Township trustees.
- (5) Those employees directed to file an individual bond by the fiscal body of a city, town, or county.
- (6) Township assessors (if any).

(b) The fiscal body of a city, town, county, or township may by ordinance authorize the purchase of a blanket bond or a crime insurance policy endorsed to include faithful performance to cover the faithful performance of all employees, commission members, and persons acting on behalf of the local government unit, including those officers described in subsection (a).

(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial 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 greater amount for the officer or employee. County auditors shall file bonds in amounts of not less than thirty thousand dollars (\$30,000), as fixed by the fiscal body of the county. The amount of the bond of any other person required to file an individual bond shall be fixed by the fiscal body of the unit at not less than fifteen thousand dollars (\$15,000)"

OFFICIAL RESPONSE

In response to having an insufficient bond for 2014, 2015, and 2016, I was unaware that the minimum bond requirement for the Assessor had increased.

I immediately called the bond company after the exit conference with the State Board of Accounts. I was told there is nothing I can do about 2014 and 2015.

For 2016, the bond is being increased to the correct amount of \$ 15,000.

I apologize for this oversight.

Respectfully,

Linda F. Kovacich

Jennings County Assessor

COUNTY ASSESSOR
JENNINGS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2016, with Linda Kovacich, County Assessor; Matt Sporleder, President of the Board of County Commissioners; Howard Malcomb, President of the County Council; Paul Belding, County Council member; and David Woodall, County Council member.

COUNTY SURVEYOR
JENNINGS COUNTY

COUNTY SURVEYOR
JENNINGS COUNTY
AUDIT RESULT AND COMMENT

OFFICIAL BONDS

Charles Ebinger, County Surveyor, did not have an official bond recorded for the period January 1, 2014 to December 31, 2014, and there was no audit evidence presented to support that the County Surveyor obtained an individual Surety Bond.

Indiana Code 5-4-1-18 states in part:

"(a) Except as provided in subsection (b), the following city, town, county, or township officers and employees shall file an individual surety bond:

- (1) City judges, controllers, clerks, and clerk-treasurers.
- (2) Town judges and clerk-treasurers.
- (3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.
- (4) Township trustees.
- (5) Those employees directed to file an individual bond by the fiscal body of a city, town, or county.
- (6) Township assessors (if any).

(b) The fiscal body of a city, town, county, or township may by ordinance authorize the purchase of a blanket bond or a crime insurance policy endorsed to include faithful performance to cover the faithful performance of all employees, commission members, and persons acting on behalf of the local government unit, including those officers described in subsection (a).

(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial 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 greater amount for the officer or employee. County auditors shall file bonds in amounts of not less than thirty thousand dollars (\$30,000), as fixed by the fiscal body of the county. The amount of the bond of any other person required to file an individual bond shall be fixed by the fiscal body of the unit at not less than fifteen thousand dollars (\$15,000)"

Indiana Code 5-4-1-5.1(b) states in part:

"Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder in the county of residence of the officer, official, deputy, or employee. The county recorder and deputies and employees of the recorder shall file their bonds in the office of the clerk of the circuit court."

COUNTY SURVEYOR
JENNINGS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 17, 2016, with Charles Ebinger, County Surveyor.

The contents of this report were discussed on February 23, 2016, with Matt Sporleder, President of the Board of County Commissioners; Howard Malcomb, President of the County Council; Paul Belding, County Council member; and David Woodall, County Council member.

(This page intentionally left blank.)

COUNTY CORONER
JENNINGS COUNTY

COUNTY CORONER
JENNINGS COUNTY
AUDIT RESULT AND COMMENT

OFFICIAL BONDS

Eugene L. Rudicel, County Coroner, did not have an official bond recorded for the period January 1, 2014 to December 31, 2014 and no audit evidence was presented to support that the officials obtained an individual Surety Bond.

Indiana Code 5-4-1-18 states in part:

"(a) Except as provided in subsection (b), the following city, town, county, or township officers and employees shall file an individual surety bond:

- (1) City judges, controllers, clerks, and clerk-treasurers.
- (2) Town judges and clerk-treasurers.
- (3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.
- (4) Township trustees.
- (5) Those employees directed to file an individual bond by the fiscal body of a city, town, or county.
- (6) Township assessors (if any).

(b) The fiscal body of a city, town, county, or township may by ordinance authorize the purchase of a blanket bond or a crime insurance policy endorsed to include faithful performance to cover the faithful performance of all employees, commission members, and persons acting on behalf of the local government unit, including those officers described in subsection (a).

(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial 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 greater amount for the officer or employee. County auditors shall file bonds in amounts of not less than thirty thousand dollars (\$30,000), as fixed by the fiscal body of the county. The amount of the bond of any other person required to file an individual bond shall be fixed by the fiscal body of the unit at not less than fifteen thousand dollars (\$15,000)"

Indiana Code 5-4-1-5.1(b) states in part:

"Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder in the county of residence of the officer, official, deputy, or employee. The county recorder and deputies and employees of the recorder shall file their bonds in the office of the clerk of the circuit court."

COUNTY CORONER
JENNINGS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2016, with Eugene L. Rudicel, County Coroner; Matt Sporleder, President of the Board of County Commissioners; Howard Malcomb, President of the County Council; Paul Belding, County Council member; and David Woodall, County Council member.