

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

HENRY COUNTY, INDIANA

January 1, 2022 to December 31, 2022



**FILED**  
04/29/2024



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Debra Walker	01-01-22 to 12-31-24
County Treasurer	Bill Upchurch	01-01-22 to 12-31-24
Clerk of the Circuit Court	Jennifer Grubbs	01-01-22 to 12-31-24
County Sheriff	Richard McCorkle John Sproles	01-01-22 to 12-31-22 01-01-23 to 12-31-24
County Recorder	Linda Winchester Lisa Loveless	01-01-22 to 12-31-22 01-01-23 to 12-31-24
President of the Board of County Commissioners	Bobbi Plummer Steve Dellinger Joe Wiley	01-01-22 to 12-31-22 01-01-23 to 12-31-23 01-01-24 to 12-31-24
President of the County Council	Kenon Gray	01-01-22 to 12-31-24



**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 HENRY COUNTY, INDIANA

This report is supplemental to the audit report of Henry County (County), for the period from January 1, 2022 to December 31, 2022. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the County. It should be read in conjunction with the Financial Statement Audit Report of the County, which provides our opinions on the County's financial statement. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

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 Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE  
Deputy State Examiner

April 25, 2024

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COUNTY AUDITOR  
HENRY COUNTY

COUNTY AUDITOR  
HENRY COUNTY  
AUDIT RESULT AND COMMENT

***CAPITAL ASSETS***

*Condition and Context*

The County did not properly maintain its capital asset listing during the audit period. Several vehicle purchases were made during the audit period; however, these assets were not added to the detailed listing.

*Criteria*

Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY AUDITOR  
HENRY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 28, 2023, with Debra Walker, County Auditor; Kenon Gray, President of the County Council; and Steve Dellinger, County Commissioner.

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BOARD OF COUNTY COMMISSIONERS  
HENRY COUNTY

BOARD OF COUNTY COMMISSIONERS  
HENRY COUNTY  
AUDIT RESULT AND COMMENT

**DONATIONS**

*Condition and Context*

The County Sheriff's office donated \$10,000 in March 2022 to the Henry County Community Foundation (Foundation) for youth camp scholarships from the Donations fund. The ordinance that established the Donations fund was not presented for audit to determine the allowability of the donation.

Furthermore, the County Sheriff's office donated \$3,896 in December 2022 to the Foundation for youth camp scholarships from redeemed credit card points. The County's credit card policy does not address the usage of redeemed credit card points to avoid bypassing the accounting system.

*Criteria*

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Public funds cannot be donated or given to other organizations or individuals unless specifically authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

It is our position that public funds cannot be donated or given to other organizations or individuals unless specifically authorized by law. We would not take exception to the County entering into a written contract or written grant agreement if the contract or grant serves a county purpose. Those decisions would be made by the county. If the county does not have the funding or does not find that the request serves a county purpose, the donation should not be made. We will also expect to see the claim documentation to state the county purpose. (The County Bulletin and Uniform Compliance Guidelines, September 2018)

The SBOA will not take exception to the use of credit cards by a unit provided the following criteria are observed: . . .

6. Credit cards must 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 body and other officials with timely and accurate accounting information and monitoring of the accounting system.

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

BOARD OF COUNTY COMMISSIONERS  
HENRY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 25, 2024, with Bobbi Plummer, County Commissioner, and Steve Dellinger, County Commissioner.

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COUNTY SHERIFF  
HENRY COUNTY

COUNTY SHERIFF  
HENRY COUNTY  
AUDIT RESULTS AND COMMENTS

**CONTRACTS**

*Condition and Context*

The County Sheriff's office oversaw an Area Drug Task Force (ADTF) in cooperation with the City of New Castle Police Department without a written interlocal agreement or contract, with regard to contributions and uses of funds. The County Sheriff's office made five contributions from the Commissary fund to the ADTF bank account during the audit period, totaling \$40,000; however, these contributions were all withdrawn from the ADTF bank account and deposited back into the Commissary fund on the same day that each contribution was made.

*Criteria*

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

**REDEEMED CREDIT CARD POINTS**

*Condition and Context*

The County Sheriff's office redeemed a total of 573,263 credit card points in December 2022, that were earned over the course of several years through purchases made on two credit card accounts. The 573,263 credit card points had a cash value equivalent to \$5,733. The financial transactions pertaining to the redeemed credit card points were neither recorded in the records of the County Sheriff's office nor was there supporting documentation available to determine the use of the redeemed credit card points.

After further inquiry, it was determined that the County Sheriff's office donated \$3,896 worth of credit card points to the Henry County Community Foundation; the remaining 183,678 credit card points, equivalent to \$1,837, could not be accounted for.

*Criteria*

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY SHERIFF  
HENRY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 10, 2024, with Richard McCorkle, former County Sheriff, and Rebecca Baker, former Matron.

The contents of this report were discussed on April 22, 2024, with John Sproles, County Sheriff; Josh Smith, Chief Deputy County Sheriff; Anne Bankson, Matron; and Karen Schwab, Assistant Matron.

The contents of this report were discussed on April 25, 2024, with Bobbi Plummer, County Commissioner, and Steve Dellinger, County Commissioner.