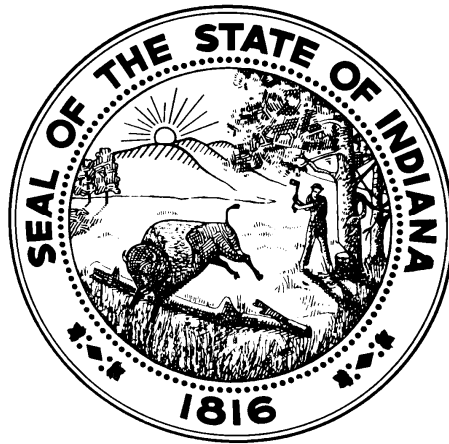


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

AUDIT REPORT
OF
COUNTY SHERIFF
FLOYD COUNTY, INDIANA
January 1, 2007 to December 31, 2007



FILED

09/12/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Darrell Mills	01-01-07 to 12-31-10
President of the County Council	Larry McAllister	01-01-07 to 12-31-08
President of the Board of County Commissioners	Stephen A. Bush	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF FLOYD COUNTY

We have audited the records of the County Sheriff for the period from January 1, 2007 to December 31, 2007, 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 Floyd County for the year 2007.

STATE BOARD OF ACCOUNTS

August 20, 2008

COUNTY SHERIFF
FLOYD COUNTY
AUDIT RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping of the Sheriff's Cash Book and the Commissary/Inmate Trust records were again present during the current audit period:

- (1) There were eight instances noted of money being deposited into the wrong bank accounts. Monies receipted and recorded in the Sheriff's Cash Book were deposited into the Commissary/Inmate Trust account and vice versa. In most cases, these were corrected by bank transfers between the two accounts. There were other instances where transfers were made between the two bank accounts with no explanations given.

Receipt and disbursement corrections or other errors should be corrected by memorandum entry with the issuance of a check and receipt to document the flow of the transactions. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

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)

- (2) Receipts collected were not always deposited in a timely manner. There were 13 instances of untimely deposits noted in the month tested. These deposits were made two to nine days after the date collected.

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. . . ."

- (3) Receipts were not always written and recorded at the time the transaction occurred. There were instances of up to 11 business days from the time of the original transactions until the recording in the records. Receipt 29750 was written on January 23, 2007, in the amount of \$71,401; however, it was not recorded in the Sheriff's Cash book nor deposited in the bank until February 2, 2007. Receipt 21699 dated June 21, 2007, in the amount of \$18.00 was actually written sometime between July 9, 2007 and July 13, 2007.

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 Indiana Code 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)

COUNTY SHERIFF
FLOYD COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

- (4) There were instances noted of deposits being made to the bank account and checks clearing the bank account without being recorded in the Sheriff's Cash Book. Receipt 21706, dated September 18, 2007, was written for \$31,001 and the deposit was made to the bank account. Check 2487 was written for the same amount and cleared the depository on September 21, 2007; however, there were no such entries on the Sheriff's Cash Book.

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

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)

- (5) The bank reconciliements were not always presented for audit, and in other instances were not complete or accurate. The records did not reconcile to the depository for the month of February 2007 and there was no reconciliation presented at all for the month of September 2007. The errors have subsequently been corrected during 2008.

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."

APPROVAL OF FORMS

Indiana Code 36-8-10-21 applies to any County that has a jail commissary that sells merchandise to inmates. This statute requires the Sheriff to maintain a record of the fund's receipts and disbursements and states the State Board of Accounts shall prescribe the form for this record. In order to comply with these provisions the State Board of Accounts has prescribed the use of General Form 352, General Receipt; General Form 353, General Warrant; and General Form 358, Ledger of Receipts, Disbursements and Balances.

The Floyd County Sheriff's Department uses an integrated system for their Commissary and Inmate Trust accounts which has not been approved for use in lieu of prescribed forms.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY SHERIFF
FLOYD COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 20, 2008, with Darrell Mills, Sheriff. The official concurred with our audit findings.

The contents of this report were discussed on August 20, 2008, with Teresa A. Plaiss, Auditor; Stephen A. Bush, President of the Board of County Commissioners; and Ted Heavrin, County Council Member.