

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

AUDIT REPORT

OF

COUNTY PROBATION DEPARTMENT

DELAWARE COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

09/30/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Adult Probation Officer	John Cox	01-01-07 to 12-31-08
Juvenile Probation Officer	Ken Mace	01-01-07 to 12-31-08
Circuit Court 2 Judge	Richard Dailey	01-01-07 to 12-31-12
President of the County Council	Bradley Bookout	01-01-07 to 12-31-08
President of the Board of County Commissioners	John Brooke	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF DELAWARE COUNTY, INDIANA

We have audited the records of the County Probation Department 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 Delaware County for the year 2007.

STATE BOARD OF ACCOUNTS

April 21, 2008

COUNTY PROBATION DEPARTMENT
DELAWARE COUNTY
AUDIT RESULTS AND COMMENTS

DEPOSITS - ADULT AND JUVENILE PROBATION DEPARTMENTS

As stated in the prior Reports B27905 and B30468, 25% of the Adult Probation receipts tested were deposited later than the next business day; 84% of the Juvenile Probation receipts were deposited later than the next business day; and 81% of the Juvenile Restitution receipts were deposited later than the next business day.

Duplicate copies of the unit prepared bank deposit slip (showing amount of cash and listing checks and amounts) were not attached to the validated copy of the bank deposit slip.

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 under this subsection shall be deposited in the same form in which they were received."

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

INTERNAL CONTROLS - JUVENILE PROBATION DEPARTMENT

Controls over the recording of receipts, and accounting for the financial activities were insufficient. The total amount of the receipt is posted to the ledger of receipts, disbursements, and balances and is not classified nor totaled by the type of receipt (i.e., User Fees, Administrative Fees). It is impossible to trace the Report of Collections amounts to the ledger without adding each category separately.

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

OLD OUTSTANDING CHECKS – JUVENILE PROBATION RESTITUTION ACCOUNT

Our review of the bank reconcilements as of December 31, 2007, revealed 5 outstanding checks totaling \$953.06 ranging in issuance date from July 26, 1994 until December 10, 2004, well in excess of two years.

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 PROBATION DEPARTMENT
DELAWARE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 5-11-10.5-3 states in part: "Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the board of finance of the political subdivision or the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

UNCLAIMED PROPERTY – JUVENILE PROBATION DEPARTMENT

As noted in prior Reports B27905 and B30468, the Juvenile Probation Department has \$2,675 in trust that is distributable but remains unclaimed. The department has not maintained a proper accounting of the individuals owed this money and as such the department is unable to remit these unclaimed funds to the attorney general.

The Juvenile Probation Department should research and identify these unclaimed funds by individual or business in order to follow the statutory guidelines stated below.

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: . . . (7) For property held by a state or other government, governmental subdivision or agency, or public corporation or other public authority, one (1) year after the property becomes distributable. . . ."

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) (c), on the data 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."

COUNTY PROBATION DEPARTMENT
DELAWARE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

BANK ACCOUNT RECONCILIATIONS - JUVENILE PROBATION RESTITUTION ACCOUNT

As stated in the prior Report B30468, depository reconciliations of the fund balances to the bank account balances were not presented for audit.

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."

COUNTY PROBATION DEPARTMENT
DELAWARE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 9, 2008, with Robyn S. Williamson, Juvenile User Fee Clerk.

The contents of this report were discussed on August 25, 2008, with John Brooke, President of the Board of County Commissioners; and Bradley Bookout, President of the County Council.