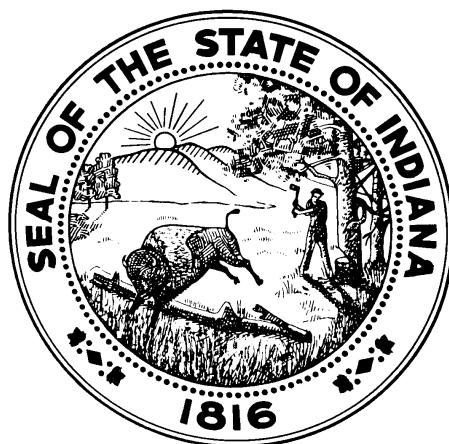


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

AUDIT REPORT  
OF  
ADULT PROBATION DEPARTMENT  
ALLEN COUNTY, INDIANA  
January 1, 2007 to December 31, 2007



**FILED**  
12/31/2008



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chief Probation Officer	Eric Zimmerman	01-01-07 to 12-31-08
Allen Circuit Court Judge	Honorable Thomas Felts	01-01-07 to 12-31-08
President of the County Council	Paul G. Moss	01-01-07 to 12-31-08
President of the Board of County Commissioners	F. Nelson Peters Linda K. Bloom	01-01-07 to 12-31-07 01-01-08 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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Telephone: (317) 232-2513  
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Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF ALLEN COUNTY

We have audited the records of the Adult 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 Allen County for the year 2007.

STATE BOARD OF ACCOUNTS

June 25, 2008

ADULT PROBATION  
ALLEN COUNTY  
AUDIT RESULT AND COMMENT

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted:

- (1) Record balances were not reconciled to depository balances and outstanding checklists were incomplete.

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."

- (2) There were several posting errors. These errors included a deposit made to the wrong bank account and not located for six months, interest posted as adjustments instead of receipts, and incorrect figures used to calculate year-to-date totals on the Report of Collections.

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)

- (3) Some corrections and adjustments were made in the records without retaining recommended audit trails. Check registers do not always agree with total disbursements on the Closing Balances Report because checks voided after the month in which they were written were not handled properly. The computer system records voided checks as "negative" disbursements in the month they were voided which reduces the total disbursements. The system does not provide adjustment reports.

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.

The accounting application system must be supported by computerized and manual procedures to assure the following controls related to error correction:

The type of error condition is recorded.

The original transaction creating the error is retained within the system.

A reversing transaction to eliminate the effect of the error on the appropriate value is entered and retained within the system.

The correct transaction is entered into the system and recorded.

(Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 2)

- (4) The subsidiary record of Restitution Payable does not agree with the restitution control balance in the ledger.

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)

ADULT PROBATION  
ALLEN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 25, 2008, with Eric Zimmerman, Chief Probation Officer; Edra Bullock-Case, Executive Assistant; and Dena Monnot, Fee Clerk. The official response has been made a part of this report and may be found on pages 6 and 7.



THOMAS J. FELTS  
Judge

ADULT PROBATION DEPARTMENT  
of  
ALLEN COUNTY

Allen County Courthouse Annex  
113 West Berry Street, 3<sup>rd</sup> Floor  
Fort Wayne, IN 46802-2303

PHONE: (260) 449-7113  
FAX: (260) 449-7285

ERIC ZIMMERMAN  
Chief Probation Officer

July 1, 2008

Mr. Bruce Hartman, State Examiner  
State Board of Accounts  
302 W. Washington Street  
Room E418  
Indianapolis, IN 46204-2765

Dear Mr. Hartman:

Following are the Department's responses to the State Board of Accounts audit that was conducted at Adult Probation during the month of June, 2008.

1. The Department has been unable to reconcile the bank account since the system conversion in April, 2007. This was caused as a result of two primary factors:
  - a) The new software system installed in April, 2007 has issues that could only be identified as a result of the audit;
  - b) The Department was undergoing a significant continuity problem as a result of a long-time fee clerk suffering from a terminal illness that ultimately led to her death. This illness coincided with the computer conversion in April, 2007.
2. The deposit referred to in number (2) of the deficiencies report was a deposit where the funds were collected through the Alcohol Abuse Deterrent Program. The daily receipts for December 14, 2007, were deposited in error to the AADP account. The daily receipt ledger was then attached to the daily deposit and corresponding ledger for another day's deposit in error. This was caught during an audit on June 2, 2008. The funds were immediately deposited into our account upon notification. To avoid this error in the future, AADP is mandated that all deposits must be made from the day's receipts no later than 24 hours with one deposit made per daily ledger. This procedure prevents multiple days being deposited and stapled together and ensures that all monies collected daily are accounted for.
3. This issue is directly related to computer software issues identified as part of the audit. In order to correct these issues, we have implemented the following corrective process:
  - a) All computer software issues identified through the audit are being turned over to the software vendor by July 7, 2008;

- b) The vendor has agreed to identify, problem-solve all issues and meet with Adult Probation within thirty (30) days of July 7, 2008;
  - c) The software vendor agrees that the solutions identified and agreed upon within thirty (30) days of July 7, 2008, will be implemented within an additional thirty (30) days. All issues identified in the audit will be corrected within sixty (60) days of July 7, 2008.
4. This issue, again, is primarily related to two factors which were identified in response item 1, which are:
- a) The new software system, and;
  - b) Loss of continuity due to terminal illness of a long-time fee clerk.

In order to prevent this issue from occurring in the future, we have since delineated fee clerk tasks to more than one individual so the Department is not compromised through the loss of a single employee.

We appreciate the opportunity to provide the State Board of Accounts with the Department's responses.

Sincerely,



Eric Zimmerman  
Chief Probation Officer

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