

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

AUDIT REPORT

OF

COUNTY SHERIFF

LAKE COUNTY, INDIANA

January 1, 2011 to December 31, 2011



**FILED**  
09/24/2012



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	John Buncich	01-01-11 to 12-31-14
President of the County Council	Ted Bilski	01-01-11 to 12-31-11
	Jerome A. Prince	01-01-12 to 12-31-12
President of the Board of County Commissioners	Roosevelt Allen, Jr.	01-01-11 to 12-31-11
	Gerry J. Scheub	01-01-12 to 12-31-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF LAKE COUNTY

We have audited the records of the County Sheriff for the period from January 1, 2011 to December 31, 2011, 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 Lake County for the year 2011.

STATE BOARD OF ACCOUNTS

July 12, 2012

COUNTY SHERIFF  
LAKE COUNTY  
AUDIT RESULTS AND COMMENTS

**INMATE TRUST BALANCES**

Inmate Trust accounts are comprised of money collected from inmates upon incarceration. It also includes any money contributed by friends and family members for the benefit of the inmate. The inmate may use these funds held in trust to purchase items in the Commissary, pay medical expenses, or other jail expenses.

As previously reported, the Inmate Trust bank account does not reconcile to the detailed list of inmate's individual trust account balances. We were provided with two detailed lists of inmate trust balances as of December 30, 2011. One list was for "active" inmates and their account balances, and the other list was for "inactive" (released) inmates and their account balances. Each report listed the inmate's name, identification number, and balance on hand as of December 30, 2011. The total for active and inactive inmates, as of December 30, 2011, less debts owed by the inmates, was \$288,633.95. The bank balance at December 30, 2011, was \$582,809.10, for a difference of \$294,175.15. The difference at December 31, 2010, was \$269,995.65 for an increase of \$24,179.50, during 2011. Officials have not attempted to reconcile or identify the difference.

Additionally, the outstanding check list at December 31, 2011, did not include any checks issued prior to May 2009. Documentation was not provided to demonstrate that any of the outstanding checks issued prior to May 2009, have been properly handled or added back to the corresponding inmate's balance. This deficiency has contributed to the discrepancy between the bank balance and the balance of the inmate trust accounts.

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:

"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. No individual, bank, trust company, building and loan association, or any other financial institution may honor, cash, or accept for payment or deposit any such warrant or check which may be presented for payment and which has been issued and outstanding for a period of two (2) or more years as of the last day of December of any year."

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: (1) board of finance of a political subdivision . . . 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."

COUNTY SHERIFF  
LAKE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

Indiana Code 5-11-10.5-4 states:

"Each list prepared under section 3 of this chapter must show:

- (1) the date of issue of each warrant or check;
- (2) the fund upon which the warrant or check was originally drawn;
- (3) the name of the payee;
- (4) the amount of each warrant or check issued; and
- (5) the total amount represented by the warrants or checks listed for each fund."

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." (The County Bulletin and Uniform Compliance Guidelines, Vol. No. 376, January 2011)

### ***OLD INMATE TRUST BALANCES AND MEDICAL EXPENSES***

The Sheriff requires inmates who have been released or discharged to make a formal request to have his or her funds held in trust returned. If the funds have not been returned after a period of five years, the funds are to be remitted to the Attorney General's Office as unclaimed property.

As noted in prior reports, the computer software used to account for the inmate trust funds does not have the capability to list accounts that are over five years old. Personnel researching the accounts use the year of incarceration, which is included as part of the booking number as a starting point to determine the five year limitation. Furthermore, trust balances retained using the old computer software, have not been transferred to the new computer software. Records on these "old" trust balances also could not be located for audit.

In the current computer software, as of December 31, 2011, there were 16,202 inactive trust accounts with a balance of \$265,158.18. Some of the accounts showed some significant balances of trust on hand, while others had debt balances (debt balances would indicate amounts were owed to the County Sheriff for Commissary or Medical purchases). While we could not determine how old some the balances are, we could determine that incarcerations dated back to 2004 based upon the booking numbers, and should be turned over to the Attorney General.

Indiana Code 36-8-10-22(d) 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."

COUNTY SHERIFF  
LAKE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

At the Lake County Jail, medical expenses charged to an inmate are deducted from his or her inmate trust account balance. If the inmate does not maintain a balance in the account, the medical expense amount is accounted for as an outstanding debt; the co-pay is not waived in accordance with statute. Furthermore, the debt balances are not written off within 30 days after the service date as required by statute. If the inmate is re-incarcerated, the prior debt may be reapplied to his account.

Indiana Code 11-10-3-5(c) states in part:

"A person committed to the department is not required to make the copayment under subsection (b) if:

- (1) the person does not have funds in the person's commissary account or trust account at the time the service is provided;
- (2) the person does not have funds in the person's commissary account or trust account within thirty (30) days after the service is provided;
- (3) the service is provided in an emergency;
- (4) the service is provided as a result of an injury received in the correctional facility; or
- (5) the service is provided at the request of the administrator of the correctional facility."

***FINANCIAL TRANSACTIONS - SHERIFF FUNDS (INMATE TRUST, INMATE MEDICAL, AND SHERIFF SOCIAL SECURITY)***

Financial activity for the Inmate Trust, Inmate Medical and Sheriff Social Security Funds are not maintained using General Form 358, Ledger of Receipts, Disbursements, and Balances, or an alternative approved form. An independent C.P.A. firm reconciles the bank accounts for these funds using commercial accounting software (Quick Books).

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)

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)

***BANK RECONCILEMENT - JAIL COMMISSARY***

The reconciled cash balance of the Jail Commissary Fund exceeded the accountant's book balance by \$3,178.60, as of December 31, 2011. This may be due to unknown outstanding checks issued prior to October 2009.

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 SHERIFF  
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AUDIT RESULTS AND COMMENTS  
(Continued)

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)

**COMMISSARY FUND RECORDS**

As stated in prior reports, records for the Sheriff's Commissary Fund were not adequate as follows:

1. In 2011, the Sheriff did provide semiannual reports about Commissary financial activity to the County Council and Commissioners. However, the reports presented were not complete, as they did not provide detailed information on transactions, as required. The reports provided were profit and loss statements generated by a non-approved software system. These reports provided category totals for various income and expenses. A Commissary Fund detailed ledger of receipts and disbursements was not available and was not provided to the Council.
2. Financial activity for the Commissary Fund is not maintained on General Form 358, Ledger of Receipts, Disbursements, and Balances, or another approved form generated by the computer system.
3. An outside C.P.A. firm reconciles the Commissary Fund bank account to the C.P.A. firms compiled "Book Balance" and not to a County generated ledger, as the County does not maintain a Commissary ledger.

Indiana Code 36-8-10-21(e) states:

"The sheriff shall maintain a record of the fund's receipts and disbursements. The State Board of Accounts shall prescribe the form for this record. The sheriff shall semiannually provide a copy of this record of receipts and disbursements to the county fiscal body. The semiannual reports are due on July 1 and December 31 of each year."

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)

**OPTICAL IMAGES OF WARRANTS - SHERIFF COMMISSARY**

The Sheriff's Jail Commissary bank statement's only provide optical images of the front side of cancelled warrants (checks).

Indiana Code 5-15-6-3(a) concerning optical imaging of checks states in part:

Indiana Code 5-15-6-3(a) concerning optical imaging of checks states in part:

". . . 'original records' includes the optical image of a check or deposit document when:

COUNTY SHERIFF  
LAKE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

Furthermore, Indiana Code 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit 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)

***CONDITION OF RECORDS - CIVIL DIVISION***

The Civil Division of the County Sheriff's Department maintains a check register, which is the equivalent of a personal checking account register, in which the Civil Division records deposit amounts and check amounts. A cash book is also maintained electronically through computer software purchased by the County Sheriff. The Civil Division records receipts by date, receipt number, and amount as well as checks by check date, check number, and amount in the computer software.

As the Civil Division collects funds, an electronic receipt is supposed to be issued from the computer software, which will automatically post the entry to the electronic cash book when the clerk initiates the posting mechanism. Checks are handwritten and must be posted individually into the electronic cash book. The electronic cash book replaced a prescribed handwritten cash book in March, 2007, and is considered the official record for recording the financial transactions of the Sheriff's Civil Division.

At the time the electronic cash book was placed into service the handwritten cash book was abandoned, and the cash balances were not properly transferred to the electronic records. Because the cash balances were not correctly transferred, the electronic cash book is not being used when reconciling the bank account. The clerk who maintains the electronic cash book also maintains the check register, which is used as the basis for reconciling the bank account.

COUNTY SHERIFF  
LAKE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

While the check register and electronic cash book should mirror each other, except for the posting of a deposit which comprises many individual receipts, several timing differences are observed between the two records. These timing differences affect the cash balances of the two records, which also affects the bank reconcilements. As of December 31, 2011, the reconciled bank balance exceeded the electronic cash book balance by \$10,512.60. This difference was \$17,557.72 at December 31, 2010.

Because the electronic cash book is not used properly and is not reconciled to the bank account, errors are not detected or corrected.

The County reported the activity of the check register in their financial statements, as the check register reconciles to the bank account.

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."

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)

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)

#### ***UNCLAIMED PROPERTY - CIVIL DIVISION***

As stated in prior reports, the Civil Division of the Sheriff's Department has been holding \$11,600.95 in trust as unclaimed property consisting of stale dated checks. The Sheriff has not remitted the funds to the Indiana Attorney General's unclaimed property division as required by statute.

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 . . ."

#### ***SHERIFF'S SOCIAL SECURITY FUND***

The Sheriff submits a listing of individuals in custody to the Social Security Administration. If the Social Security Administration determines that any of those individuals are currently receiving Supplemental Security Income (SSI) benefits, they will suspend these benefits and remit an incentive payment up to \$400 per individual to the Sheriff. The funds remitted to the Sheriff from the Social Security Administration are accounted for in a separate bank account held by the Sheriff and used by the Sheriff to pay miscellaneous expenses. In 2011, the Sheriff's Department received \$18,800 in social security incentives. No transfer has been made to the General Fund of the County in accordance with the Uniform Compliance Guidelines. At April 30, 2012, the bank balance for this fund was \$32,123.85.

COUNTY SHERIFF  
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(Continued)

In regards to Social Security incentive payments to counties, "These payments should be transferred by the sheriff to the County Treasurer and quietused into the County General Fund." (The County Bulletin and Uniform Compliance Guidelines, July 2008, Volume 363, Page 5)

**SHERIFF FEES**

The Sheriff's Bureau of Identification charges fees for background checks, fingerprints and offense reports. An ordinance establishing these fees was not presented for audit.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

**ANIMAL CONTROL FOSTER CARE**

The Sheriff's Animal Control Center allows prospective pet owners to take an animal home for a maximum of 15 days to determine if the animal will be a good fit for their needs. The Center calls this service Foster Care.

For the first ten months of 2011, Animal Control Center collected the adoption and SNAP fees "Foster Deposit" when the animal was released into foster care. Receipts were not written and deposits were not remitted to the County Auditor for these collections. The Center explained that these fees were not receipted until the animal is adopted, because if the animal is returned, the fees were returned to the prospective pet owner. After our 2010 audit, officials stopped assessing and collecting the foster deposit. Animals were still released into foster care, but it is up to the customer to either return the animal or come back to complete the adoption and pay the adoption fees. Officials indicated that adoption revenue has decreased because of this change in policy. Animals have been released (hence adopted) without collection of the appropriate fees. An approved "Foster Care" policy was not presented for audit.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (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.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY SHERIFF  
LAKE 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 Counties of Indiana, Chapter 1)

***ANIMAL CONTROL CENTER FILES***

Files are maintained on each animal housed at the Animal Control Center, including animals who are adopted, or who are subsequently claimed by their original owners. For adopted animals, the files include all the paperwork performed for an adoption including an Application, an Adoption Agreement, and a Certificate of Adoption. The Adoption Agreement, when fully completed, will include the date, fees by type (SNAP - spay and neuter, and adoption) and the receipt numbers issued for collection of the fees. For animals who are impounded and subsequently claimed by their owners, the files will include Return to Owner forms, which when fully completed include the date the animal was admitted, the date the animal was returned to the owner, and fees charged by type (Impound fees, shots, and a return to owner fee).

As noted in the prior report, Animal Control Center files had the following deficiencies with regards to the receipts and fees:

1. Two out of thirteen files tested had Certificates of Adoption that did not include receipt numbers.
2. Seven out of thirteen files tested had Certificates of Adoption that did not list the fee charged.

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)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY SHERIFF  
LAKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 12, 2012, with John Buncich, Sheriff; Robert Arnold, Deputy Commander Staff Services; Tim Downs, Chief; Sharon Rogich, Bookkeeper; Melanie Dillon, Bookkeeper; and Donald Smith, C.P.A., outside accountant. The Official Response has been made a part of this report and may be found on pages 13 through 17.

JOHN BUNCICH  
LAKE COUNTY SHERIFF

LAKE COUNTY, INDIANA

July 27, 2012

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

Dear Mr. Hartman:

The Lake County Indiana Sheriff's Department acknowledges the importance of the Indiana State Board of Accounts mission in promoting efficiency, integrity, and transparency of local government operation. We also acknowledge the input of the auditors assigned to the audit of the Sheriff's Department, both during the audit and during the exit conference. While we take the auditor's comments and the related report seriously, we may disagree with their recommendations or observations on various issues from time to time. We appreciate the auditors have noted the improvements made since January, 2011.

Inmate Trust Balances – paragraph A1 - we disagree in part with these findings. The audit report states the total of ALL active and inactive accounts totals \$288,633.95. In the following section the audit report states there are inactive accounts totaling \$265,158.18. This leaves only \$23,475.77 for currently incarcerated individuals. That amount does not seem reasonable. This area of concern has referenced in previous audit reports and responses for at least the last five years. Based on the spotty records left by the previous administration, and the fact that this issue has been unresolved with any specificity for many years, this will be a monumental item to correct in a short period of time.

Paragraph A2 – The Department has not been asked for a list of two year old outstanding checks in the past. In the future, a list will be prepared as of December 31 each year listing checks that have been outstanding and will add back those amounts into the account from which they were originally drawn.

We agree that there are "stale" checks being carried. We are in the process of clearing up this issue and have been at a disadvantage in resolving the inactive inmate accounts and outstanding checks as prior to January, 2011 the accounting records were in a state of incompleteness, as was stated in the prior years' audit report. The Sheriff's Department is committed to implementing the regulations as outlined by the Indiana Attorney General's office as to unclaimed property. We are in the process of preparing an annual procedures manual to address this issue by year end.

Old Inmate Trust Balances & Medical Expenses

Paragraph B1 – The Sheriff's Department recognizes there are sums that should be remitted to the Indiana Attorney General's (IAG) office as unclaimed property. Based on the chaotic financial records from the previous administration, determining the precise amounts and the detailed information that must accompany the funds to the IAG has been problematic. By December 31 of this year, this Department will attempt contact with the inactive accounts and remit the proper funds and paperwork to the IAG.

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Bruce Hartman, State Examiner  
July 27, 2012

Paragraph B2 – We disagree with these findings as the amounts allocated to the inactive accounts leaves an unrealistic balance for the active account balances, based on the number of inmates. Any differences should be cleared up when the unclaimed amounts are received to the IAG at year end.

#### Financial Transactions – Sheriff Funds

The Sheriff's Department has been using an independent CPA to ensure all transactions are recorded according to bank account activity since January 1, 2011. This Department will obtain General Form 358 and have the independent CPA complete the form, or acceptable substitute, and reconcile to the CPA recorded transactions.

#### Bank Reconciliation – Jail Commissary

We are in complete disagreement with the audit report that there is a \$3178.60 difference in the cash balance. There is a timing difference, not an actual cash difference of \$3178.60, as that is the exact amount of checks clearing between the audit date of December 31, 2011 and January 9, 2012 the bank statement date. We have appended to this report the reconciliation detail showing thirteen outstanding checks that total the \$3178.60 in question.

#### Commissary Fund Records

The Sheriff's Department acknowledges for the first time in eight years, a semi-annual report was timely provided to the Lake County Civil government summarizing the Commissary Account transactions. Although a detail ledger was never requested, in the future, a detailed general ledger will be provided to the Council and Commissioners. We do take exception to the term "non-approved software" that is being used to record the various transactions, as that implies the accounting system is substandard. The commercial software the independent CPA uses to capture the financial information is the most used software of its kind in the United States and has been thoroughly vetted as to its accuracy.

General Form 358 was not readily available after repeated requests to Indianapolis to obtain the form. The approved form or applicable substitute will be utilized in the future.

By the auditors own statement, the independent CPA could only reconcile to the Sheriff's ledger, as the County did not maintain a Commissary Ledger. We will continue to monitor our records and adjust them as necessary to accurately record the transactions and maintain a materially correct balance.

#### Optical Images of Warrants – Sheriff Commissary

The Sheriff acknowledges the state code prescribes that the front and back of the checks issued are to be obtained from the bank. Although we know the practices and procedures currently in place have prevented hundreds of thousands of dollars of attempted embezzlement, as noted in the previous year's audit report, the Sheriff's Department will contact the appropriate banking institutions to obtain those images in the future.



Condition of Records – Civil Division

The Sheriff's Department has made inquiries of its civil division personnel to assist in the determination of the correct balance. Because of the poor condition of the financial records inherited from the prior administration, there is limited information to tie-out any differences. The Sheriff will be seeking a legal opinion on how to handle the beginning balance overages.

Unclaimed Property – Civil Division

After meeting with the SBOA auditors, inquiries of Sheriff Department civil personnel were made to determine what items totaled \$11600.95 in "stale dated checks". We note that the \$11600.95 amount was referenced in the 2007 audit, and every year since that audit. Although prior audits specifically referenced the need to turn that sum over to the IAG, the previous administration did not. It would have been more efficient and expedient for the prior administration to have addressed that issue five years ago. Unless and until a determination of which checks are involved, the Sheriff's Department cannot provide the documentation the IAG office will need during the unclaimed property process. The Sheriff will be seeking a legal opinion on how to proceed based on the lack of specific information on which unknown persons are owed unspecified amounts.

Sheriff's Social Security Fund

The Sheriff's Department will follow the recommended procedure for this fund/item in the future.

Sheriff Fees

The Sheriff acknowledges the issue and will be working with the County Attorney's office to obtain the resolutions and/or ordinances necessary to resolve this matter.

Animal Control Foster Care

The Sheriff will be working with the County Attorney's office to modify existing ordinances or new fee policies to facilitate more animal adoptions in regards to fees. The Sheriff believes no animal should be denied a caring home because a citizen of Lake County does not have an adoption fee. Sheriff Department personnel will be counseled on procedures brought out during this audit.


Animal Control Center Files

The Sheriff Department acknowledges the need to have complete adoption and financial records. The Sheriff will discuss the importance of complete records with Animal Control personnel and will strive to correct this issue.

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Bruce Hartman, State Examiner  
July 27, 2012

If you have any questions concerning the above, please feel free to contact me.

Sincerely,



Sheriff John Buncich

JB/nn

cc: All Lake County Commissioners  
All Lake County Council  
Atty. John Bushemi  
Atty. John Duli  
Atty. Ray Szarmach  
Chief Tim Downs  
Willie Stewart, Jr., Jail Administrator

11:50 AM

01/31/12

Lake County Sheriff's  
 Association Detail  
 Community Fund Peoples Bank, Mobile, Ala, Ala

Type	Date	Num	Name	Ch	Amount	Balance
Beginning Balance						54,352.13
Cleared Transactions						
Checks and Payments - 13 items						
Check	12/23/2011	25045	ABC Burglar	X	-35.00	-35.00
Check	12/23/2011	25046	Alkon	X	-357.50	-392.50
Check	12/23/2011	25048	Comcast Cable	X	-437.54	-830.04
Check	12/23/2011	25051	Fedex	X	-221.19	-1,051.23
Check	12/23/2011	25052	First Bankcard	X	-179.64	-1,230.87
Check	12/23/2011	25053	Verizon Wireless	X	-228.09	-1,458.96
Check	12/23/2011	25055	Verizon Wireless	X	-466.26	-1,925.22
Check	12/23/2011	25056	Verizon Wireless	X	-450.00	-2,375.22
Check	12/23/2011	25057	State of Indiana LE...	X	-280.00	-2,655.22
Check	12/23/2011	25058	Vasquez Developm...	X	-200.00	-2,855.22
Check	12/23/2011	25044	John Mikulich	X	-49.40	-2,904.62
Check	12/23/2011	25043	Jory Molina	X	-214.00	-3,118.62
Check	12/23/2011	25050	Everyday Office Su...	X	-59.98	-3,178.60
Total Checks and Payments					-3,178.60	-3,178.60
Deposits and Credits - 3 items						
Deposit	1/3/2012		Peoples Bank	X	23,005.25	23,005.25
Deposit	1/5/2012		Peoples Bank	X	4,771.31	27,776.56
Deposit	1/9/2012		Peoples Bank	X	2.05	27,778.61
Total Deposits and Credits					27,778.61	27,778.61
Total Cleared Transactions					24,600.01	24,600.01
Cleared Balance					24,600.01	78,952.14
Uncleared Transactions						
Checks and Payments - 8 items						
Check	12/22/2010	24514	???????????		-29.41	-29.41
Check	9/1/2011	24862	Gateway		-539.00	-568.41
Check	9/16/2011	24924	Patrick Ellis		-75.00	-643.41
Check	12/28/2011	25059	Lake County Treas...		-25,000.00	-25,643.41
Check	1/9/2012	25063	sprint Solutions		-5,726.48	-31,369.89
Check	1/9/2012	25062	Star Amusements		2,400.00	-33,769.89
Check	1/9/2012	25061	Ten-3, Inc		-2,577.50	-36,347.39
Check	1/9/2012	25060	Fleet Services		-147.09	-36,494.48
Total Checks and Payments					-36,494.48	-36,494.48
Total Uncleared Transactions					-36,494.48	-36,494.48
Register Balance as of 01/09/2012					-11,894.47	42,457.66
Ending Balance					-11,894.47	42,457.66